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## The Balochistan Mineral Rules, 2002

### FOREWORD

The Federal Government for many years has been attempting to formulate a National Mineral Policy to attract both foreign and local private risk capital to Pakistan's Mineral Sector.

This attempt could not be materialized until 1995. In the month of September 1995, the National Mineral Policy having consensus of all provinces was approved by the Federal Cabinet for announcement.

With a view to implement the Policy, the Government of Pakistan approached the Government of Australia for provision of Technical Assistance with reference to Economic and Legal Advisory Services Division (ELAS), Commonwealth Secretariat (COMMSEC) for preparation of uniform Mining Concession Rules.

The existing regulatory regime Balochistan Mining Concession Rules, 1970 being considered unattractive to investors and to put in place a set of rules internationally competitive has been revised and updated. The Balochistan Mineral Rules, 2002 which have been enforced w.e.f 8-3-2002 attract the interest of the investors on such matters as transparency, criteria for dealing with applications and the grant of Licenses and Leases, expeditious thinking making process, security of tenure, provision of adequate information on mineral titles, independent resolution mechanism etc., and to equitably meet the objectives of the investors as well as aspirations of the Government.

The Rules provide four types of mineral titles, namely; Reconnaissance License, Exploration License, Mineral Deposit Retention Licensee and Mining Lease.

Special provisions have been made for Small Scale Mining (Prospecting License and Mining Lease), in consequence of two meetings held on 13-9-2001 and 19-9-2001 by a Committee constituted by the Honourable Governor under the Chairmanship of Minister for Industries and Mineral Development for the purpose. Only editorial changes have made in the existing rules, while in some cases the existing rules have been retained as such. One time simple penalty at Rs. 10% for non payment of the royalty and other dues has been provided instead of compound penalty at Rs. 12% and Rs. 50,000/-.

I warmly thank the ELAS team for preparation of these rules for Balochistan being a rich mineral province. Thanks are as well due to the officers/staff of the Directorate of Mineral Development for laborious work in scrutiny/preparation of comment on all the three draft rules sent by ELAS team.

It is finally hoped that the book will definitely help and guide the members of the mining industry in observing the rules to their own benefit as well as the benefit of the conservation of the mineral wealth of Balochistan Province. The book will also be of great help to the officers and staff of the Mines & Minerals etc., as well as the Lawyers who deal with the mining law.

(MIR SHAHNNAWAZ MARRI)  
DIRECTOR GENERAL (TECH)  
MINES AND MINERALS  
BALOHISTAN, QUETTA.

Dated Quetta the 22<sup>nd</sup> April, 2002.

## The Balochistan Mineral Rules, 2002

(TO IMPLEMENT PROVISIONS OF NATIONAL MINERAL POLICY (NMP ), 1995

EXTRAORDINARY REGISTERED NO. S-2771

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GOVERNMENT OF BALOCHISTAN, DEPARTMENT OF MINES AND MINERALS

NOTIFICATION

Dated Quetta, the 8<sup>th</sup> March, 2002

No. S.O(MR)4-6/2002 . No In exercise of the powers conferred by section 2 of the Regulation of Mines and Oil-Fields and Mineral Development (Government Control) Act, 1948, (XXIV of 1948) the Government of Balochistan is pleased to make the following Rules:---

PART I - PRELIMINARY

1. Short title, extent and commencement.- (1) These Rules may be called the Balochistan Mineral Rules, 2002.
- (2) They shall apply to the whole of Balochistan.
- (3) They shall come into force at once.
2. Definitions.- In these Rules unless there is anything repugnant in the subject or context:---
- (a) "assignee" means a person to whom a mineral title is assigned or transferred under these Rules;
- (b) "associated mineral" means a mineral which is combined or associated with the mineral or minerals to which a mineral title relates in such circumstances that it is physically impossible to mine the mineral or minerals included in the mineral title without also mining the associated mineral;
- (c) "authorised Officer" in relation to any provision of these Rules, means a person delegated with the powers under rule 4 (1) (d) "Rules of Business" means the Balochistan Government Rules of Business, I 976, as amended from time to time (e) "Company" means (i) a company as defined in the Companies Ordinance, 1984 (XLVII of 1984);
- (ii) a body corporate formed by or under any law for the time being in force in Pakistan; or
- (iii) a body corporate incorporated by or under the law of a country outside Pakistan relating to the incorporation of companies;
- (f) "concession" means prospecting licence or mining lease under rules 76 and 83;
- (g) "conditions" includes terms, limitations and, stipulations;
- (h) "Constitution" means the Constitution of the Islamic Republic of Pakistan;
- (i) "Department" means a separate self contained administrative unit in the secretariat responsible for the

conduct of business of mines and minerals of the Provincial Government in a distinct and specified sphere;

(j) "Directorate General" means the section of the Department with responsibility for the grant of mineral titles and mineral concessions;

(k) "drilling" means the perforation of the earth's surface otherwise than by pitting, trenching or sinking a shaft, whether the hole is vertical, inclined or horizontal, and includes all operations for preventing the collapse of the sides of the hole or for preventing the hole from becoming filled with extraneous matter, including water;

(l) "exploration" means intentionally to search for minerals, and includes the determination of their extent and economic value;

(m) "exploration area" means the area of land, including its lateral limits, to which an exploration licence relates;

(n) "exploration licence" means an exploration licence issued under Rule -28;

(o) "exploration operations" means any operations carried on in connection with exploration, including any accessing, extraction or incidental winning of any mineral for the purpose of mineralogical examination, assaying, test work or marketability surveys;

(p) "functions" includes powers and duties;

(q) "good reconnaissance practices", "good exploration or "good mining practices" means practices which are generally accepted internationally by persons involved in reconnaissance operations, exploration operations, or mining Operations, as the case may be, as good, safe and necessary in carrying out such operations;

(r) "Government" means the Government of Balochistan;

(s) "Governor" means the Governor of Balochistan;

(t) "group", in relation to minerals, means minerals declared in the Third Schedule to constitute name of groups of minerals;

(u) "in default" means in breach of any provision of these Rules or of any condition of a mineral title or a mineral concession;

(v) "land" includes land beneath water and the subsoil of land;

(w) "lateral limits", in relation to an area of land subject to a mineral title or a mineral concession, means the vertical lines passing through the sides by which that area is bounded;

(x) "lessee" means the person or a company who is the holder of a mining lease and includes the successor in interest and the permitted assignee of such a person;

(y) "licensee" means, an appropriate, person or a company who is the holder of a reconnaissance licence, an exploration licence, a mineral deposit retention licence or a prospecting licence and includes the successor in interest and the permitted assignee of such a person;

(z) "licensing authority" means the Technical Head of the Directorate General of Mines and Minerals to whom applications for mineral titles or mineral concessions are to be submitted and who is empowered to grant mineral titles and mineral concessions pursuant to these Rules;

(Za) "mine" means,---

(i) when used as a noun, any surface, or underground excavation where any operation for the purpose of searching for or obtaining a mineral has been or is being carried on, and includes all works, machinery, tramway, ropeway and siding, whether above or below ground, in or adjacent or belonging to or appurtenant to a mine but does not include the manufacturing or processing plant; or

(ii) when used as a verb, means to carry on mining operations;

(Zb) "mineral" means all surface and sub-surface natural deposits of ores and metals and other metallic and non metallic substances, but does not include,---

(i) radioactive minerals necessary for the generation of nuclear energy.

(ii) mineral oil; or

(iii) natural gas;

(Zc) "mineral agreement" means an agreement referred to in Rule 9;

(Zd) "mines committee" means the mines committee established under Rule 3;

(Ze) "mineral deposit retention licence" means a mineral deposit retention licence issued under Rule 39;

(Zf) "mineral operation" means exploration operations or mining operation or both;

(Zg) "mineral title" means a reconnaissance licence, an exploration licence, a mineral deposit retention licence or a mining lease;

(Zh) "mining area" means an area of land, its lateral limits, to which a mining lease relates;

(Zi) "mining lease" means a mining lease issued under Rules 49 and 83;

(Zj) "mining operations" means any operations carried out in connection with the development of a mine, or the production of minerals from the mine, or both;

(Zk) "Prospecting Licence" means a licence issued under Rule 78;

(Zl) "reconnaissance area" means the area of land, including its lateral limits, to which a reconnaissance licence relates;

(Zm) "reconnaissance licence" means a reconnaissance licence issued under Rule 20;

(Zn) "reconnaissance operations" means any operations carried on in a general search for any mineral by means of aerial sensing techniques, including geophysical surveys, photo geological mapping or imagery carried on from the air, and reconnaissance shall be construed accordingly;

(Zo) "registered mine surveyor" means a mine surveyor who is registered by the licensing authority pursuant to rule 65;

(Zp) "retention area" means the area of land, including its lateral limits, to which a mineral deposit retention licence relates;

(Zq) "Schedule" means any of the Schedules annexed to these Rules;

(Zr) "Secretary" means the Secretary to the Department and such term shall include any person within the meaning of the term as defined in clause (XX) of Rule 2(1) of the Rules of Business;

(Zs) "small scale mining" has the meaning given by rule 74.

## PART – II ADMINISTRATION

3. Mines Committee.- (1) There shall be a mines committee which shall advise the licensing authority in relation to such matters concerning the administration of these Rules with respect:---

- (a) to grant or renew a mineral title or a mineral concession;
- (b) to refuse to grant or renew a mineral title mineral concession;
- (c) to amend the terms or conditions of any mineral title or mineral concession;
- (d) to invite competitive bids pursuant 10 these Rules;
- (e) to grant a mineral title or mineral concession to a person in excess of the limit specified in rule 8;
- (f) to grant a mineral title or mineral concession in respect of an area of land exceeding the maximum limit specified in these Rules in relation to that title or concession;
- (g) to assign or transfer rights or interests to or in a mineral title or a mining lease (SSM);
- (h) in relation to any dispute referred pursuant to rule 14(9) or (10);
- (i) in relation to any dispute between different holders of mineral titles, or mineral concessions arising out of or in connection with a mineral title, or mineral concession.

(2) The composition of the mines committee shall be as follows:---

- (a) The Technical Head of the Directorate General of Mines & Minerals. Chairman
- (b) The Director Licensing of tile Directorate General of Mines Minerals or in charge of the relevant section. Member.
- (c) The Director Exploration and Promotion of the Directorate General of Mines & Minerals or in charge of the relevant section. Member
- (d) A representative of the Secretary, Department of Mines and Minerals not below the rank of Deputy Secretary. Member.
- (e) A representative of Balochistan Mine Owners Association (either President or General Secretary Non-Voting Member.

(3) The mines committee shall meet as often as may be necessary for transaction of its business but shall meet at least once in every two months.

(4) Minutes shall be recorded of all meetings of the mines committee and shall be signed by all members of the committee.

(5) Subject to the provisions of this rule, the mines committee shall determine its own procedure.

(6) The composition of the Committee may be altered by the Government by Notification in the official

Gazette.

4. Power of Delegation. - (1) The licensing authority, may, by notification in the Official Gazette, delegate any of its functions under these Rules to such officer as named in the instrument of delegation.

(2) Nothing in sub-Rule (1) shall be construed as preventing the licensing authority from exercising any function delegated to that sub-Rule.

5. Confidentiality.- (1) Information disclosed under these Rules to the licensing authority or an officer employed in the Department shall not be disclosed to any person who is not the licensing authority or such an officer or employee of the Department without the prior written approval of the person who provided the information, except to the extent that,---

(a) disclosure is authorised or required by law;

(b) disclosure is required by order of a competent court, or for the purpose of any arbitration or litigation involving the Government;

(c) disclosure relates to information contained in the register referred to in Rule 10 (6) or 60;

(d) disclosure is necessary to compile and publish official statistical information concerning the geology and mineral resources of Balochistan.

(e) disclosure is for the purpose of,---

(i) implementing these Rules or a mineral title, a mineral agreement or a mineral concession;

(ii) the formation of mineral policy or of giving advice to other Government departments or agencies; or

(iii) any discussion or dealing with the Federal Government;

(f) disclosure is effected with the prior permission in writing of the Secretary granted in respect of any matter which, in the opinion of the Secretary, is of a general nature and may be disclosed in the public interest; or

(g) disclosure is in accordance with a relevant mineral agreement, mineral title or mineral concession.

(2) If any person employed in or by the Department uses, for the purpose of personal gain, any information disclosed under these Rules that comes to that person in the course of, or by reason of, that employment, that person is guilty of an offence and shall be subject to proceedings under the Government Servants (Efficiency and Disciplinary) Rules.

(3) The holder of a mineral title or a mineral concession shall not disclose information acquired by the holder as such except as provided in sub-Rule (3) of Rule 71 and in accordance with the mineral title, the mineral concession or the mineral agreement.

(4) Where a mineral title or a mineral concession ceases to have effect in relation to an area of land and the holder of the title or concession does not acquire a further title or concession over that area, the Government shall have the right to disclose any information which it has received from the holder in respect of that area.

6. Immunity of offices etc.- No liability shall attach to an officer employed in or by the Department, the licensing authority or an officer, in respect of the exercise or performance, or purported exercise or performance, in good faith, of any function under these Rules.

### Part III - Mineral titles and mineral concessions

## Division 1 - General

7. Types of mineral titles and mineral concessions.- (1) No person shall conduct exploration / prospecting operations, mining, operations or except under a mineral title or mineral concession granted pursuant to these Rules.

(2) The following mineral titles may, subject to these Rules, be issued for the purpose of this Part, namely,---

- (a) reconnaissance licences;
- (b) exploration licences;
- (c) mineral deposit retention licences; and
- (d) mining leases.

(3) The following mineral concessions referred to in Part IV may, subject to these Rules, be issued for the purpose of this Part, namely,---

- (a) prospecting licence; and
- (b) mining lease.

8. Maximum number of titles and concessions.- Subject to Rule 3 (5), the maximum number of mineral titles or mineral concessions which may be issued to an applicant in respect of any particular mineral shall not exceed two unless the licensing authority is satisfied on reasonable grounds that circumstances exist which justify the grant of a mineral title or mineral concession in excess of this number in the interest of the development of the mineral resources.

9. Mineral agreements.- (1) The Government may, at the request of a person proposing to carry on mineral operations, enter into an agreement, with that person relating to a mineral title, non inconsistent with these rules or any other law, if the Government is satisfied that substantial foreign investment is likely to be made in mineral operations and that the carrying on the undertaking in question is desirable in the interest of the development of the mineral resources of Balochistan.

(2) The Federal Government may, at the request of the Government be a party to, and to the negotiation of, a mineral agreement.

(3) A mineral agreement may, in particular, make provision with respect to all or any of the following matters,---

- (a) the grant, renewal, cancellation or transfer of a mineral title;
- (b) minimum exploration operations to be carried on and related expenditure to be incurred for the purposes of those operations;
- (c) the formation of joint ventures;
- (d) the basis on which the fair market value of any mineral or group of minerals may, from time to time, be determined on an arms length basis;
- (e) the payment of enhanced royalty in specified circumstances;
- (f) the payment of additional profits tax in specified circumstances;

- (g) the establishment in Balochistan of secondary and tertiary processing facilities;
- (h) guarantees to ensure the due and proper performance of the obligations of the holder of the mineral title;
- (i) financial and insurance arrangements;
- (j) the settlement of any dispute which may arise in the interpretation or application of any provision of a mineral agreement by a sole expert or through international arbitration;
- (k) co-ordination of exploration or mining operations to be carried on by the person concerned under an exploration licence or a mining lease with any such operations carried on by the holder of an exploration licence or a mining lease in any neighbouring exploration area or mining area; or
- (l) other matters relating to mineral operations as the Government may determine or as the parties to the agreement may consider necessary.

(4) Where the Federal Government is a party to a mineral agreement, the agreement may contain provisions with respect to any matter for which the Federal Government has executive authority under the Constitution.

(5) Any provision contained in a mineral agreement which is inconsistent with any provision of these Rules or any other law shall, to the extent of the inconsistency, be of no force or effect.

(6) Nothing contained in a mineral agreement shall be construed as absolving any party thereto from complying with any requirement laid down by law or from applying for, and obtaining, any licence, approval, permission or other document required by law.

(7) For the purpose of determining under sub-Rule (1) whether substantial foreign investment is likely to be made in any particular case, the Government shall have regard to,---

- (a) the likely scale of the capital investment to be made;
- (b) the expenditure and work programme proposed by the applicant;
- (c) in the event of commercial discovery,---
  - (i) the likely scale of operations; and
  - (ii) the likely infrastructure to be required;
- (d) the mineral or group of minerals to which the mining title, if granted, would relate and the potential for export of that mineral or group;
- (e) the techniques to be used for the recovery of that mineral or group;
- (f) the technical and financial capabilities of the applicant for a mineral title; and
- (g) other factors relevant to making that determination.

10. Applications for a mineral title or a mineral concession.- (1) An application under this Part for a mineral title or a mineral concession or for any renewal or amendment thereof,---

- (a) shall be made in writing to the licensing authority;
- (b) shall be in the respective forms set out in the Seventh Schedule; or in such other form as may be

approved by the licensing authority;

(c) shall be accompanied by the fee specified in the First Schedule in respect of the application in question or such other fee as may be notified by the Government in the Official Gazette;

(d) shall be accompanied by such information, which in the opinion of the licensing authority, is relevant to the application;

(e) may be withdrawn by the applicant by notice in writing to the licensing authority.

(2) Subject to, these Rules, where more than one application is made in respect of the same area of land, the applications shall be considered in the order in which they are received by the licensing authority.

(3) Applications received on the same date shall be deemed to have been received simultaneously.

(4) On receipt of an application under this Part, the licensing authority shall note thereon the date and time of its receipt and shall issue to the applicant, an acknowledgement stating such date and time, the postal acknowledgement and the documents received.

(5) Subject to these Rules, the licensing authority may grant, on such conditions as may be determined in writing by the authority, or refuse, an application under this Part.

(6) The licensing authority shall maintain a separate register of applications for mineral titles and mining concessions specifying:---

(a) the number of the application;

(b) the date and time of its receipt;

(c) the name and address of the applicant;

(d) whether the applicant is a national of Pakistan or a company incorporated in Pakistan;

(e) the mineral, for which a mineral title or mineral, concession is required;

(f) the period for which the mineral title or mineral concession is required;

(g) the district or districts in relation to which a mineral title or mineral concession is required;

(h) the place and total area applied for;

(i) whether the application fee is paid;

(j) the final disposal of the application;

(k) the date of application for amendment to the mineral title or mineral concession;

(l) the date of application for any assignment or transfer of the mineral title or the mineral concession, and

(m) such other information as the licensing authority considers necessary.

(7) An applicant who is not a national of Pakistan shall furnish with the application, an undertaking that the applicant will abstain from all political activity whatsoever affecting the sovereignty or security of Pakistan or which may be tantamount to interference in Pakistan's internal affairs and in particular, that the applicant will refrain from espionage.

11. Power of licensing authority in respect application.- (1) On receipt of an application, the licensing authority shall:---

(a) as far as possible before granting the mineral title or mineral concession applied for, ascertain that the area to which the application relates does not overlap with any other area already covered by a mineral title or mineral concession; and

(b) if there is such overlapping, refuse to grant the mineral title or mineral concession.

(2) The licensing authority may at any time after the receipt of an application under this Part, require the applicant by notice in writing to furnish the licensing authority within such reasonable period as may be specified in the notice with, such information as may be described in the notice, as the authority may deem necessary for purposes of considering the application;

(3) In order to enable the licensing authority to consider any application under this Part, the authority may,---

(a) cause such investigations or negotiations to be made or undertaken as the authority may, in its discretion, deem necessary; or

(b) require the applicant, by notice in writing, to furnish the authority, within such period as may be specified in the notice, with such proposals, by way of alternative to or in addition to, proposals set out in the application.

(4) Where an application for a mineral title or mineral concession is made in respect of an area within a reserved or protected forest, the licensing authority shall not grant any such title or concession without prior consultation with the Department responsible for forests.

(5) In considering any application under this Part and the conditions subject to which the application may be granted, the licensing authority shall take into account the need to conserve and protect the natural resources in, on or under,---

(a) the land to which the application relates; and

(b) any adjoining or neighbouring land.

(6) Where the licensing authority decides,---

(a) to grant an application under this Part subject to certain conditions, the authority shall give notice to the applicant accordingly, stating those conditions and the conditions referred to in Rule 13:---

(b) to refuse an application under this Part, the authority shall communicate that decision and reasons for the refusal to the applicant within a period of one hundred and twenty days of the date of receipt of the application inclusive of other relevant information requested by the licensing authority.

(7) The applicant may, within the period of one month after notice is given to him pursuant to sub-rule (6), or within such further period as the licensing authority may allow in writing, on good cause shown, agree in writing to accept the conditions or such other conditions as may be agreed by the authority and the applicant.

12. Lapse of application - If an applicant fails,---

(a) to comply with the requirements of a notice referred to in Rule 11(2) or (3)(b); or

(b) to agree in pursuance of Rule 11 (7), within the period specified in the notice, or such further period as

may be allowed by the licensing authority, the application in question shall lapse on the expiration of the period.

13. General conditions of mineral title or mineral concession. (1) In addition to any conditions contained in a mineral title, a mineral concession or a mineral agreement, it shall be a condition of a mineral title or a mineral concession that the holder of the mineral title or mineral concession shall,---

(a) exercise any right granted to the holder by or under these Rules reasonably and in such manner that the rights and interests of the occupier of any land to which the title relates are not adversely affected except to the extent that the occupier is compensated;

(b) employ technically qualified and competent persons to carry on the operations to which the title relates including, but not limited to, preparation of any accounts, maps, plans, programmes, reports studies, and the execution of any works required under these Rules;

(c) in the employment of all grades of employees, give preference to citizens of Pakistan, and in particular those in Balochistan, who possess appropriate qualifications, expertise and experience for the purposes of the operations to be carried on under the mineral title or mineral concession;

(d) implement measures, including appropriate training programmes in order to encourage and promote the education and development of citizens of Pakistan, and in particular, those in Balochistan, in modern mining skills and to equip them for employment in the mining sector;

(e) with due regard to the need to ensure technical and economic efficiency, make use of products or equipment manufactured or produced and services available in Balochistan;

(f) cooperate with other persons involved in the mining industry to enable citizens of Pakistan and in particular, those in Balochistan, to develop skills and technology to render services in the interest of that industry in Balochistan.

(g) take measures to prevent damage to the environment, and where some adverse impact on the environment is unavoidable, take measures to in minimize such impact:---

(h) make good any damage caused to the environment, in so far as possible, during the course of exploration or mining operations and on the cessation of such operations due to expiry, surrender or cancellation of the mineral title or mineral concession other;

(i) in the case of a company, give to the licensing authority notice of any change in its name, registered address, directors, share capital, memorandum or articles of association or constitution or of beneficial ownership of more than five per cent of the issued share capital;

(j) carry out the mineral operations in such a manner as not to encroach on any area not included in the mineral title of mineral concession;

(2) It shall be a condition of every mineral title or mineral concession that,---

(a) before the commencement of mineral operations within a reserved or protected forest, thirty days notice in writing shall be given to the District or Divisional forest officer of the intention to commence the operations;

(b) the operations shall be conducted subject to any conditions that such officer may prescribe pursuant to Rule 14 (4);

(c) the holder of the title or concession shall make such contributions to the Government for the benefit of the local population to be used for such purposes as may be specified in the title or concession or the

mineral agreement;

(d) on the expiry, termination, surrender or cancellation of the title or concession, the holder thereof, in accordance with good mining practices, shall,---

(i) fill up all excavations on the land to which the title or concession relates;

(ii) securely plug all mines on such land;

(iii) remove all equipment, installations and structures there from; and

(iv) take such action as may be necessary to, restore the land in so far as possible, to its original condition and to prevent hazards to human animal life or to the property of others or to the environment, provided that the holder shall not be liable to restore the surface of land in respect of which full compensation has been paid under Rule 14 (8).

(3) A mineral title or mineral concession may make provisions,---

(a) for the pre-emption of minerals by the Government in such circumstances and on such conditions as are specified in the title or concession, subject to the payment of the fair market price determined on the basis so specified;

(b) for the disputes which may be settled by arbitration; and

(c) with respect to any of the matters referred to in Rule 9 (3), as appropriate other than paragraph (f).

(4) The holder of a mineral title or mineral concession shall, at the holder's own expense, erect and at all times maintain and keep in repair, boundary marks and pillars according to the demarcation shown in a plan annexed to the mineral title or mineral concession and in accordance with the provisions of the following sub-rules.

(5) For the purposes of sub-rule (4) and subject to sub-rule (6), the holder of a mineral title or mineral concession shall, within sixty days of the issue of such mineral title or concession, cause the area of land to which the title or concession relates to be accurately demarcated in accordance with the procedures specified in sub-rule (13).

(6) For the purposes of sub-rule (4), the holder of a mineral title or mineral concession may,---

(a) cause the demarcation required under that sub-rule to be carried out by a registered mine surveyor; or

(b) request the licensing authority to carry out that demarcation.

(7) Where the holder of a mineral title or mineral concession acts pursuant to sub-rule (6) (a), the holder shall submit to the licensing authority, certificate in a form acceptable to the licensing authority, (in this rule referred to as a demarcation certificate) prepared and signed by the registered mine surveyor certifying that the demarcation was carried out to the best of that surveyor's ability and in accordance with the relevant survey data.

(8) Where a request is made to the licensing authority under sub-rule (6) (b), the holder of the mineral title or mineral concession shall deposit in the relevant provincial head of account a demarcation fee in the amount specified in the First Schedule or such other amount as may be specified by notification by the Government, from time to time in the Official Gazette.

(9) On receipt of a demarcation certificate, under sub rule (7) the licensing authority shall, as, soon as practicable, cause the boundary demarcation to be physically checked by a competent official who shall,

with the prior permission of the licensing authority, make any necessary correction in the demarcation to which that certificate relates.

(10) The holder of a mineral title or mineral concession, shall deposit, in the relevant Provincial head of account the fee specified in the First Schedule for meeting the expenses of the checking of the boundary demarcation referred to in sub-rule (9) or such other fee as may be notified by the Govt. in the Official Gazette from time to time.

(11) The holder of a mineral title or mineral concession shall not commence any operations to which that title of concession relates,---

(a) unless a demarcation certificate has been submitted pursuant to sub-rule (7) and accepted by the licensing authority, or

(b) without the written permission of the licensing authority, where the demarcation is carried out by the licensing authority (12) The procedures in relation to a demarcation are as follows,---

(a) at every angle or corner of each boundary, or as near thereto as is practicable.

(6) pillars of substantial material shall be fixed, being not less than two (2) feet 17 are or diameter at the base and standing not less than two (2) feet above, the surface of the ground:---

(b) the direction of the boundary line, or each pillar shall be indicated by a trench, four (4) feet long, and not less than six (6) inches wide and not less than six (6) inches deep;

(c) each pillar shall bear or have affixed thereto, some distinguishable marks;

(d) where the land is on the sea shore, it shall not be necessary to mark out the land below high water level;

(e) no pillar shall be removed without the permission of the licensing authority.

(13) The provisions of this rule (12) shall also apply to a mineral concession.

(14) Restriction on exercise of rights by holder of mineral title or mineral concession.

(1) The holder of a mineral title or a mineral concession shall carry on exploration or mining operations at or upon any point within a distance of,---

(a) fifty meters from the boundary of the exploration area or as the case may be, the mining area.

(b) one hundred meters from any railway line, reservoir, canal or other public works, or buildings except with the previous permission in writing of the licensing authority and in accordance with the conditions, if any, that it may impose;

(2) The holder of a mineral title or a mineral concession shall not erect any building or carry on any surface operations upon,---

(a) any public pleasure ground, burning or burying ground, or

(b) any place held sacred by any class of persons, or

(c) any house at village site, or public road or on any other place, which the licensing authority may exclude from such operations.

(3) The holder of a mineral title or a mineral concession shall not, without the written permission of the

appropriate authority,---

(a) cut or injure any tree on occupied land or in an unreserved forest;

(b) disturb the surface of any road;

(c) enter on any public pleasure ground, burning or burial ground or place held sacred by any class of persons; or

(d) interfere with any right of way, well, tank or cultivable agricultural land.

(4) All surface operations conducted under the authority of these Rules within a reserved or protected forest shall be subject to such conditions as the Forest Department may by general or special order, from time to time, prescribe;

(5) in the event of any disagreement between the Forest Department and the holder of a mineral title, or a mineral concession the matter shall be referred to the Secretary of the Department for a final decision on the matter.

(6) Before occupying any land for surface operations or clearing any land, the holder of a mineral title or a mineral concession shall give to the licensing authority one month's previous notice in writing specifying by name or other sufficient designation and quality the land proposed to be occupied and the purpose for which it is required.

(7) the licensing authority shall at any time within one ..... on the from the receipt of a notice given pursuant to sub-rule (6) state the objections, if any, on grounds of public interest to the proposed site, and the holder of the mineral title or a mineral: concession in question shall not proceed with any of the operations mentioned in that sub-rule until the objections are removed.

(8) The holder of a mineral title or a mineral concession shall,---

(a) pay such reasonable compensation as may be assessed by lawful authority in accordance with the law in force on the subject, applying to the lands to which the title or concession relates, for all damage, injury or disturbance which may be done by the holder in exercise of the powers granted by the title; and

(b) indemnify the Government against all claims which may be made by third parties in respect of any such damage, injury or disturbance.

(9) in the event of any dispute with respect to the payment of compensation pursuant to sub-rule (8) (a), the matter shall be referred to the government, whose decision shall be final.

(10) in the case of a boundary dispute, between two or more holders of mineral titles or mineral concession the matter may be referred to the licensing authority for final decision.

15. Directions to mineral title or mineral concession.- (1) The licensing authority may, with due regard to good reconnaissance, exploration or mining practices, by notice in writing to the holder of a mineral title or a mineral concession gives directions to the holder in relation to,---

(a) the carrying out of reconnaissance operations, exploration / prospecting operations and mining operations, including any works' connected therewith;

(b) the conservation of any natural resources, including mineral, resources, and the prevention of the waste of such resources;

(c) the protection and preservation of the surface of mines or works and of buildings, roads, railways and

other structures and enclosures on' or above the surface of land, and the conditions under which such buildings, roads, railways, structures and enclosures may be undermined;

(d) the construction, erection, maintenance, operation, use or removal of structures, equipment and other goods used in connection with the exploration for, or the mining or conveyance of, minerals;

(e) the protection of the environment including the prevention and combating of pollution of the air or land which arises or may possibly arise in the course of the operations involved in exploration or mining for any mineral or after such operations have ceased;

(f) the making safe of undermined ground and of dangerous slimes, tailings, dams, waste dumps, ash dumps, shafts, holes, trenches or excavations of whatever nature made in the course of exploration or mining and the proper abandonment of mines;

(g) the taking, preservation and furnishing to the licensing authority of cores, cuttings or samples of minerals from mines or excavations;

(h) the submission to the licensing authority of reports, returns and other information;

(i) the taking of logs or directional surveys or the making of other investigations;

(j) the creation of safety zones in relation to structures erected on land to which the mineral title of mineral concession relates,

(k) the cessation of mineral operations to the extent of any encroachment by the holder of' a mineral title or a mineral concession upon any area not included in the mineral title or in the mineral concession

(2) Where the licensing authority is satisfied that the holder of a mineral title or a mineral concession has failed to comply with any direction specified in a notice under sub-rule (1), within the period so specified or such further period as the authority may in writing allow on good cause shown, the authority may,---

(a) cause to be taken such steps as may be necessary to comply with the direction; and

(b) recover from the holder as a debt due to the Government, the cost incurred in connection with the taking such steps.

#### Division 2 - Reconnaissance License

16. Rights of licensee. (1). these Rules and the conditions of the reconnaissance license shall confer on the licensee,---

(a) the non-exclusive right, or where sub-rule (3) applies, the exclusive right, to carry on reconnaissance operations in relation to the reconnaissance area in respect of any mineral or group of minerals to which the licence relates; and

(b) the right subject to sub-rule (2), to carry on such other operations, including the erection or construction of ancillary works, in the reconnaissance area as may be reasonably necessary for, or in connection with, the reconnaissance operations referred to in clause (a).

(2) The licensee shall not erect or construct any ancillary referred to in sub-rule (1)(b) without the prior consent in writing of the licensing authority, either unconditionally or subject to such conditions as the authority may impose.

(3) Subject to sub-rule (4), the licensing authority may, on application by,---

(a) an application for a reconnaissance licence, grant the licence to that applicant; or (b) the holder of a reconnaissance licence, cause an endorsement to be made on the licence, by virtue of which an exclusive right is conferred on the applicant or the holder to exercise the rights referred to in sub-rule (1)(a), if the licensing authority is satisfied on reasonable grounds that the grant of such an exclusive right is justified, having regard to the proposed reconnaissance operations and the proposed expenditure in or in relation to the reconnaissance area.

(4) An application referred to in sub-rule (3) shall not be granted in respect of any area of land, ---

(a) to which any other mineral title has been granted, giving an exclusive right to carry on reconnaissance, exploration or mining operations; or

(b) to which a mineral concession has been granted, to carry on exploration or, as the case may be, mining operations for the same mineral or group of minerals as those to which the exclusive right would, if granted, relate.

(c) which is less than or exceeds the area specified in rule 18(1)(a).

(5) Subject to sub-rule (3), a reconnaissance licence does not confer on the holder an exclusive right to carry on reconnaissance operations as provided in sub-rule (1) (a).

17. Duration of reconnaissance license. (1) Subject to these rule of reconnaissance licence shall be valid not exceeding twelve months, as may be specified in the licence (2) Notwithstanding sub rule (1), but subject to these Rules, where an application is made by the holder of a reconnaissance licence for the grant of an exploration licence,---

a) In relation to an area of land in, or which constitutes the reconnaissance area, and

b) In respect to a mineral or group of minerals in relation to which the group of licensee has the exclusive right under rule 16. (3) to carry on reconnaissance operations,

(d) the reconnaissance license shall not expire in relation to that area of land and mineral or group of minerals until the application is refused or withdrawn or lapses, whichever ever last occurs, or if the application is granted, until the exploration license is issued 18 Application for reconnaissance license (1) An application for the grant of reconnaissance license shall comply with requirements of rule 10 and, (a) shall be made in respect of an area of land which is not less than 100 sq kilometers and does not exceed 10000 square kilometers.

(b) shall identify the mineral or group of minerals in respect of which a licence is sought,

(c) shall be accompanied by five copies of a detailed topographical and geological description of the area of land to which the application relates, and five copies of a plan or map of such area drawn to scale as the licensing authority may require showing:---

(i) its location with reference to magisterial districts; and

(ii) the extent of the area and the boundaries by reference to identifiable physical features and co-ordinate reference points;

(d) shall contain particulars of,---

(i) the programmed of reconnaissance operations proposed to be carried on, the estimated in respect thereof and the period within which the operations will be carried on;

(ii) in case of an application for an exclusive right referred to in rule 16 (3) the reason for the application:---

(e) shall contain such particulars as may be necessary to determine the applicant's technical and financial resources including but not limited, the company's audited financial statements, and , where applicable those of any person contractually engaged to provide such resources, and copies of relevant contractual agreements;

(f) shall contain:---

(i) particulars of all other mineral titles held or mines operation in Balochistan by the applicant, whether alone or jointly, currently or during the ten years immediately preceding the date of the application; or

(ii) where no such titles or mines are or were held or operated. particulars of any current involvement by the applicant in reconnaissance, exploration or mining operations outside Balochistan;

(g) shall state the period, not exceeding twelve months, for which the licence is required;

(h) shall be accompanied by such documents as the, licensing authority may require in relation to any matter referred to in this Rule;

(i) may contain any other matter which, in the opinion of the applicant, is relevant to the application.

19. Restriction on grant of reconnaissance licence. The licensing authority shall not grant the reconnaissance license,---

a) licensing authority is satisfied that the applicant is a fit and proper person to hold the licence,

(b) if, at the time of the application, the applicant is in default unless the licensing authority is satisfied on reasonable grounds that special circumstances exist which justify the grant of the licence notwithstanding the default;

(c) unless the licensing authority is satisfied, on reasonable grounds,---

(i) with the programme of the proposed reconnaissance operations and the estimated related expenditure; and

(ii) that the applicant has the technical, and financial resources to carry on those, reconnaissance operations and make that expenditure; or

(d) in respect of an area of land in relation to a mineral or group of minerals in respect of which an exclusive right has, under rule 16 (3), been conferred on a other holder of a reconnaissance licence.

20. Issue of reconnaissance Licence., (1) Subject to rule 11, where the licensing authority decides to grant a reconnaissance licence, it shall issue the licence to the Applicant in accordance with these Rules.

(2) A reconnaissance licence shall be substantially in the form prescribed or as may be determined by the licensing authority, and may include such additional provisions, not inconsistent with these Rules and not repugnant to the Act, as the licensing authority may consider necessary.

(3) The holder of a reconnaissance licence shall pay stamp duties and registration charges in accordance with the relevant laws.

21. Work programme of reconnaissance operations.- (1) Where the licensee, is by virtue of the conditions of the licence, required to carry out or to make within a particular period, in accordance with a work programme, certain minimum reconnaissance operations and expenditure, the licensee shall furnish the licensing authority, on such date or dates as may be specified in the licence, or as may be determined by the

licensing authority by notice in writing to the licensee, with particulars of such reconnaissance operations and the related expenditure

(2) The licensing authority may, on application made to it by the licensee and for good cause shown, by notice in writing to the licensee, amend any work programmed or expenditure referred to in sub-rule (1) in accordance with proposals contained in the application or to such extent as the licensing authority may deem expedient.

22. Records and reporting by Licensee. - (1) The licensee shall prepare and keep at an address in Balochistan, in a form acceptable to the licensing authority proper records of,---

(a) the location and nature of all photo geological studies, geophysical and other surveys carried on by the licensee in the course of the reconnaissance operations in the reconnaissance area and the results, interpretations and assessments of such studies and surveys;

(b) the persons employed by the licensee for purposes of the reconnaissance operations including the names, addresses, nationality and ages of such persons;

(c) such other information as may be determined by the licensing authority by notice in writing to the licensee, and shall contain such records for a period of not less than five years from the date of expiry of the licence;

(2) The licensee shall also cause to be prepared by a registered mine surveyor in accordance with the Sixth Schedule, and kept at all times at an office in Balochistan, accurate plans and maps in respect of the reconnaissance area.

(3) The licensee shall submit to the licensing authority, within 60 days after the end of the period of the licence, in respect of the whole of the reconnaissance area, reports as follows,---

(a) the reports shall be in duplicate and in a form acceptable to the licensing authority;

(b) a report shall be submitted with any application for an exploration licence whether in respect of the whole or any portion of the reconnaissance area;

(c) where an application is made for an exploration licence in respect of a portion of the reconnaissance area, separate reports shall be submitted in respect of that portion and the remainder of the reconnaissance area;

(d) each report shall set out, in relation to the period of the licence,---

(i) an evaluation of the prospects of the discovery of any mineral or group of minerals in the reconnaissance area;

(ii) all information, including photographs, tabulations, tapes and discs, in the records referred to in sub-rule (1) (a) and the plans and maps referred to in sub-rule (2); and

(4) In the event of the cancellation or surrender of a reconnaissance licence under Rule 59 or Rule 60, or the expiration of the licence, the person who was the licensee immediately before the cancellation, surrender or expiration shall, on a date not later than thirty days after the date of the cancellation, surrender or expiration, deliver to the licensing authority,---

(a) all records kept in accordance with sub-rule (1);

(b) all maps and plans referred to in sub-rule (2);

- (c) all reports, photographs, tabulations, tapes and discs prepared by or on behalf of that person in the course of the reconnaissance operations; and
- (d) such other books, documents, records and reports as licensing authority may require by notice in writing to such person, or copies of such records, maps, plans, reports, photographs, tabulations, tapes, discs, books and documents, unless an exploration licence is issued, to such person in relation to the reconnaissance area with effect from the date immediately following the date of the cancellation, surrender or expiration Or such later date as specified in sub rule 3 (d) (ii).

### Division 3 - Exploration. Licence

23. Rights of licensee. (1) Subject to these Rules and. the conditions of the licence, an exploration licence shall confer on the licensee,---

- (a) the exclusive right, to carry on exploration operations in the exploration area in respect of any mineral or group of minerals to which the licence relates;
- (b) subject to the rights of the surface holder, the right to enter and occupy the land which comprises the exploration area for the purpose of carrying out exploration operations;
- (c) the right to take and use water on or flowing through such land for any purpose necessary for exploration operations subject to and in accordance with the provisions of the relevant legislation relating to water but in the exercise of such right, the licensee shall not deprive any lands, villages or houses or watering places for cattle, of a reasonable supply of water;
- (d) with the prior permission in writing of the licensing authority generally or in any particular case, the right,---
- (i) to remove from the exploration area under valid Rahdaries any mineral or group of minerals or sample thereof, for the purposes of testing, assaying or pilot plant studies, from any place where it was found or incidentally won in the course of such exploration operations to any other place whether with in or outside Balochistan, or subject to such other as it be required under other relevant legislation outside Pakistan; and
- (ii) to sell or otherwise dispose of' limited amounts of any such mineral or group of minerals or of material excavated during exploration operations; and
- (e) subject to sub-rule (2), to do all other things, including the erection or construction of ancillary works in the exploration area, as may be reasonably necessary for, or in connection with, any exploration operations referred to in clause (a).

(2) The provisions of clause (b) of sub-rule (1) of Rule 1.6 (erection or construction of ancillary works) and sub-rule (2) of that Rule shall apply with necessary modifications in relation to a licensee wishing to erect or construct ancillary works under sub-rule (I) as they apply in relation to a licensee wishing to do so under Rule 1 6.

(3) Except as provided in paragraph (d) of sub-rule (I) of Rule 23, the holder of an exploration licence shall not remove any mineral from the land where it was found in the course of carrying on exploration operations referred to in sub-rule (1) without the written permission of the licensing authority.

(4) Where the licensing authority grants the holder of exploration licence permission under sub-rule (3), subject to conditions, the holder of the exploration licence shall comply with the conditions specified by the licensing authority when removing the mineral.

24. Duration of exploration licence.- (1). Subject to these Rules, an exploration licence,---

(a) shall be valid for such period, not exceeding three years, as may be specified in the licence and for the period of any renewal thereof;

(b) may be renewed,---

(i) for such period, not exceeding three years as may be determined by the licensing authority and specified in the instrument of renewal; and

(ii) if the conditions specified in Rule 29 (2) (c) (iii) are satisfied, for a further period, not exceeding three years, as may be determined by the licensing authority and specified in the instrument of renewal, as from the date of which the license would have expired if an application for its renewal had not been made.

(2) Notwithstanding the provisions of sub-rule (1) but subject to these Rules,---

(a) Where an application is made by a licensee for the renewal of an exploration license in relation to,---

(i) an area of land in or which constitutes the area subject to the licence; and

(ii) in respect of the mineral or group of minerals to which the license relates, the existing licence shall not expire in relation to that area of land and that mineral or group of minerals until the application is refused, withdrawn or lapsed, whichever first occurs, or if the application is granted, until issue of the instrument of renewal; or

(b) where the application is made by the holder of the exploration license for the grant of a mineral deposit retention licence or a mining lease, as the case may be, in relation to,---

(i) an area of land in or which constitutes the exploration area; and

(ii) a mineral or group of minerals to which the exploration license relates, the exploration licence shall not expire in relation to that area of land and that mineral or group of minerals until the application is refused or withdrawn or lapsed, whichever first occurs, or if the application is granted, until the mineral deposit retention licence or, as the case may be, the mining lease is issued.

25. Effect of issue of mining lease or mineral deposit retention licence on exploration area. - (I) Where a mineral deposit retention licence or a mining lease is issued to the holder of an exploration licence in area of land in, or which constitutes, the exploration area and in respect of mineral or group of minerals included in the exploration licence,---

(a) that exploration licence shall cease to have effect in relation to that area of land as from the date on which the mineral deposit retention licence or a mining lease is issued; and

(b) any other exploration licence held by any other person shall so cease to have effect in relation to that area of land unless the licensing authority deems it desirable in the interests of the development of the mineral resources of Balochistan that the licence should not so cease to have effect and, with the agreement of the applicant for the mining lease, so orders in writing on such conditions as the licensing authority may determine.

26. Application for exploration licence.- (I) An application for an exploration licence shall comply with requirements of Rule 10 and (a) shall, in the case of a company, contain the information referred to in Rule 18 (1) (a);

(b) shall be accompanied by a plan or map referred to in Rule 18(1)(d);

(c) shall be accompanied by a comprehensive geological description of the area of land over which the licence is required and identify,---

- i) the potential for, or the nature of mineralization contained therein; and
- (ii) any mineral or group of minerals in respect of which the licence is required:
- (d) shall contain particulars of,---
  - (i) the programme of the proposed exploration operations, the estimated expenditure in respect thereof and the period within which the operations will be carried out;
  - (ii) the state of the environment in the area to which the application relates and the anticipated effect which the proposed exploration operations may have on the environment and the measures to be taken to prevent, minimize or remedy any adverse effects thereon;
- (e) shall contain the particulars referred to in Rule 18(1) (f) (technical and financial resources);
- (f) shall state the, period, not exceeding three years, for which the license is required;
- (g) shall be made in respect of an area of land not exceeding 1000 square kilometers.
- (h) shall be accompanied by such documents as the licensing authority may require in relation to any matter referred to in this Rule; and
- (i) may contain any other matter which, in the opinion of the applicant, is relevant to the application.

(2) An applicant for an exploration licence shall comply with the requirements of sub-rules (I) and (7) of Rule 10.

27. Grant or refusal of exploration license: (1) Subject to these Rules, where an application for an exploration license,---

- (a) is made by the holder of a reconnaissance licence in respect of,---
  - (i) an area of land in or which constitutes reconnaissance area, (ii) any mineral or group of minerals in relation to.

which the holder of the reconnaissance licence has under Rule 16 (3), the exclusive right to carry on reconnaissance operations in that area of land, the licensing authority shall grant the exploration licence, or

- (b) is made by any other person, the licensing authority may grant or refuse to grant the exploration licence

(2) The licensing authority shall not grant all exploration license to any person in relation to any area of land in respect of any mineral or group if, at the time the application is made

- (a) the area of land is in or constitutes a mining area of land subject to a mining concession,
- (b) any mineral deposit retention license is held, other person in relation to the area of land,---

(3) All exploration licence shall not be granted to an applicant.

- (a) who is in default at the time of the application.
- (b) unless the licensing authority is satisfied on reasonable ground:---
  - (i) with the proposed programme of exploration operations to be carried on and the estimated related

expenditure;

- (ii) that the applicant has the technical and financial resources to carry on the exploration operations; and
- (iii) that the applicant is a fit and proper person to hold the licence;
- (c) in respect of an area of land exceeding 1,000 square kilometres;
- (d) for a period exceeding three years.

28. Issue of exploration licence. The provisions of Rule 20 shall apply with necessary modification, in relation to the issue of an exploration licence, and for that purpose any reference in those provisions to "reconnaissance licence - reconnaissance area" and "reconnaissance" shall be construed as a reference to "exploration licence", "exploration area" and "exploration operations".

29. Application for renewal of exploration licence. (1) Subject to this Rule, the provisions of Rule 26 and 27 shall apply, with necessary modification, in relation to an application for the renewal of an exploration licence.

(2) An application for the renewal of a licence shall,---

(a) be made not lesser than ninety days before the expiry date of the licence or such later date, but not later than such expiry date, as the licensing authority may allow, on good cause shown;

(b) state the period, not exceeding three years, for which the renewal is required;

(c) not be made,---

(i) in the case of a first renewal, in respect of an area of land greater in extent than fifty per cent of the exploration area at the date of the issue of the licence;

(ii) in the case of a second renewal in respect of an area of land greater in extent than fifty per cent of the exploration area immediately prior to the date of that application, or such other proportion of the exploration area as the licensing authority may determine on good technical or other reasonable grounds; or

(iii) in the case of a second renewal, unless the applicant can satisfy the authority that such a renewal is necessary for the completion of a full of the discovered deposits and that the proposed activities could not have been reasonably completed during the period of the first renewal;

(d) be accompanied by a report in duplicate containing the particulars scribed in Rule 33 (4), prepared in respect of the immediately preceding period of the exploration licence;

(e) describe and identify the part of the exploration area to be retained and the part to be relinquished;

(f) be accompanied by the proposed work programme and the estimated expenditure for the period of the renewal; and

(g) in the case of a second i give the reason for requesting the renewal, supported by documentary proof.

(3) Subject to the provisions of sub-rules (4) and (5), the licensing authority shall not grant a renewal of an exploration licence,---

(a) unless the licensing authority is satisfied on reasonable grounds,---

(i) with the minimum exploration operations and expenditure proposed to be carried out or expended in the renewal period, in respect of the area of land to which the application relates; and

(ii) of the matters specified in sub-rule (3)

(b) (ii) and (iii) of Rule 27; or

(b) if, at the time of the application, the applicant is in default

(4) The licensing authority shall not refuse under sub-rule (3)

(a) to grant a renewal of an exploration licence if the proposals in respect of an operations and expenditure are in accordance with the terms and conditions of the exploration licence or mineral agreement relating to proposals of that kind.

(5) The licensing authority shall not refuse under sub-rule (3)

(b) to grant the renewal of an exploration licence, unless the licensing authority has, by notice in writing, informed the applicant of its intention to refuse to grant the renewal,---

(a) setting out particulars of the alleged default or other grounds for the proposed refusal; and

(b) requiring the applicant to make representations to the licensing authority in relation to the alleged default or other grounds for the proposed refusal or to remedy that default or the ground for the proposed refusal on or before a date specified in the notice and the applicant has failed, or is unable, to remedy, that default or other ground or make representations which, in the opinion of the licensing authority, would remove the ground for the proposed refusal.

(6) The licensing authority shall not grant a second renewal of an exploration licence unless the applicant,---

(a) has shown that the renewal sought is necessary for the completion of feasibility studies which could not have been reasonably completed during the period of the first renewal; and

(b) satisfies the conditions for renewal in sub-rule (3).

30. Application for amendment of exploration licence.- (1) Subject to sub-rule (2), a licensee may apply for an amendment of the licence,---

(a) by the extension or reduction or both, of the exploration area to which the license relates; or

(b) in the circumstances specified in Rule 31(3).

(2) The provisions of sub-rule (1) of Rule 10 and Rules 26 and 27 shall apply; with necessary modifications, in relation to an application under sub-rule (1).

(3) Upon the grant of an application under sub-rule (1). The licensing authority shall amend the exploration licence accordingly.

31. Obligations of licensee. (1) The holder of an exploration licence shall,---

(a) commence operations in the exploration area within six (6) month of the issue of the licence, and carry on exploration operations in the exploration area in accordance with good exploration practices;

(b) take all reasonable steps necessary to secure the safety, well fair and health of persons employed for purposes of those operations in the exploration area and to protect the environment.

- (c) maintain in good condition and repair all structures, equipment and other goods in the exploration area and used in connection with (he exploration operations;
- (d) remove from the exploration area all structures, equipment and other goods not used or intended to be used in connection with the exploration operations (e) take reasonable steps to warn persons who may from time to time be in the vicinity of any such structures, equipment or other goods of the possible hazards resulting there from;
- (f) allow existing and future title holders of any area which is comprised iii or adjoins or is reached by the area to which his title relates, all reasonable facilities of access thereto;
- (g) notify the licensing authority of the discovery of a deposit of any mineral or group of minerals included in the licence, or of any associated minerals within thirty days after such discovery:---
- (h) notify the licensing, authority within ten days after making a discovery of a deposit of any mineral or group of minerals other than a mineral or group of minerals included in the licence;
- (2) Where the notification referred in paragraph (h) relating to minerals necessary for the generation of nuclear energy as defined in sub-rule (7), notify also the Pakistan Atomic Energy Commission.
- (3) Where, pursuant to,---
- (a) sub-rule (1) (g), the licensee notifies the licensing authority the discovery of associated minerals; or
- (b) sub-rule (1)(h), the licensee notifies the licensing authority of the discovery of any mineral or group of minerals not included in the licence, the licensee;
- (i) shall submit, with the notification, all relevant , technical data and a report on the potential commercial value of that deposit;
- (ii) may, within three months of such notification apply to the licensing authority for amendment of license to include the minerals referred to in rule (3) (a) or ( h); and
- (iii) subject to sub-rule (4), shall have a preferential right to the amendment of the licence.
- (4) and where an application is made under sub-rule (3), the licensing authority,---
- (a) may, in the case of an application relating to a mineral or group of minerals not included in the licence, grant the amendment of the licence or issue a separate licence in respect of that mineral or group of minerals
- (b) shall, in the case of an application relating to associated minerals, grant the amendment of the licence if it is satisfied on reasonable grounds that the licensee will,---
- (i) make such alterations in its work programmed of exploration operations as are necessary in relation to the associated minerals or (ii) comply with such terms, and conditions as may be required by the licensing authority in \_relation to the discovery and production of the associated minerals.
- (5) Where the licensing authority decides to grant an amendment of a licence or to issue a separate licence, it shall state the conditions governing such amendment or separate licence.
- (6) Subject to sub-sub (7), the licensee shall have no rights in respect of a mineral or group of minerals referred to in sub-rule (3) unless the licence is amended or a separate licence is issued, in accordance with sub-rule (4).
- (7) The licensee shall have no rights in respect of minerals referred to in sub-rule (2) without the agreement of the Pakistan Atomic Energy Commission.

33. Records and reporting by licensee. - (1) The licensee shall prepare and keep at an address in Balochistan, in a form acceptable to the licensing authority, proper records of,---

(a) the location and results of all photogeological studies, imaging, geological mapping, geochemical sampling, geophysical surveying, drilling, pitting and trenching, sampling and bulk sampling and other activities undertaken by the licensee in the course of the exploration operations in, or in connection with, the exploration area covered by the exploration licence;

(b) the results of all analytical, metallurgical and mineralogical work incidental to such exploration operations;

(c) the interpretation and assessment of the studies, surveys and work referred to in clauses (a) and (b);

(d) the persons employed by the licensee for purposes of such exploration operations, including their names, addresses, nationality and ages;

(e) the description and quantity of any mineral or group of minerals found in the area to which the title relates;

(f) the nature, mass or volume and value of any mineral or group of minerals incidentally won during exploration operations and sold or otherwise disposed of, the amount of money received and the full names and addresses of any person to whom such mineral or group of minerals was sold or otherwise disposed of;

(g) the capital and operating expenditure incurred by the licensee in the course of such exploration operations;

(h) such other information as may be required by the licensing authority;

(2) The licensee shall also cause to be prepared, by a registered mine surveyor, in accordance with the Sixth Schedule, accurate maps and plans in respect of the exploration area.

(3) The licensee shall submit to the licensing authority, within 15 days after the end of each quarter or such other periodic intervals as may be required during the period of such exploration licence, in a form acceptable to the licensing authority, a return or returns containing in relation to such quarter,---

(a) a summary of the particulars and information contained in the records referred to in sub-rule (1) as may be required by the licensing authority; and

(b) such other particulars as the licensing authority may require in relation to the exploration operations carried on by the licensee.

(4) The licensee shall submit, within 60 days after the end of the period of such exploration licence and of each period during which such exploration licence has been renewed, in respect of the whole of the exploration area, reports as follows,---

(a) the reports shall be in duplicate and in such form as the licensing authority may determine in writing;---

(b) a report shall be submitted with each application for the renewal of the exploration licence or an application for a mineral deposit retention licence or mining lease whether in respect of the whole or any portion of the exploration area;

(c) where an application is made for a mineral deposit retention licence or mining lease in respect of a portion of the exploration area, separate reports shall be submitted in respect of that portion and of the remainder of the exploration area;

(d) each report shall set out, in relation to the period referred to in sub-rule (3),---

(i) an estimate of the mineral reserves in the exploration area properly illustrated by way of plans and maps according to an appropriate scale;

(ii) the nature, mass of volume and value any mineral or group of minerals sold or otherwise disposed of and the full names and addresses of any person to whom such mineral or group of minerals has been sold or otherwise disposed of.

(iii) and evaluation of the prospects of the discovery of any mineral or group of minerals in the exploration area; and

(iv) such other particulars as the licensing authority may require in relation to the exploration operations carried on by the licensee.

(5) In the event of the cancellation or surrender of an exploration licence under Rule 57 or Rule 58 or the expiration of the term of any exploration licence, the person who was the licensee of such a licence immediately before such cancellation, surrender or expiration shall, on a date not later than one month thereafter deliver to the licensing authority,---

(a) all records kept in accordance with sub-rule (1);

(b) all maps and plans referred to in sub-rule (2); 37

(c) all reports, photographs, tabulations, tapes and discs prepared by or on behalf of such person in the course of such explorations operations; and

(d) such other books, documents, records and reports as the licensing authority may require by notice in writing and delivered to such person, or copies thereof, unless a mineral deposit retention or a mining lease is issued to such person in relation to the area covered by such exploration licence, with effect from the date following the date of such cancellation, surrender or expiration or such later date as the licensing authority may allow, on good cause shown.

#### Division 4 - Mineral deposit retention licence.

34. Rights of licensee. - (1) Subject to these Rules and the conditions of the licence, a mineral deposit retention licence shall authorize the licensee,---

(a) to retain the retention area in question for future mining operations;

(b) to carry out a programmed of operations referred to in Rule 43;

(c) under the provision of Rules 23 (d) (i) (ii) and (e) and sub-rule (2) in relation to Exploration Licence shall also apply to and mineral deposit retention License 35. Persons who may apply for mineral deposit retention licence. - A person may apply for the grant of a mineral deposit retention licence if the person is the holder of an exploration licence in relation to the area of land and the mineral or - group of minerals to which the application relates and,---

(a) a potentially discovery of mineral deposit has been made in the exploration area;

(b) the applicant has completed a full feasibility study to determine whether the mineral deposit can be developed and produced on a profitable basis;

(c) the applicant wishes to retain the exploration area or a part thereof future development of the mineral deposit discovered as, for good economic or technical reasons, development could not then be reasonably

undertaken on a profitable basis, and

(d) exploration operations and relevant studies have been undertaken to the maximum extent feasible in the circumstances.

36. Duration of mineral deposit retention licence.- (1) Subject to these Rules, a mineral deposit retention licence shall be valid for such period, not exceeding two years, as may be specified in the licence and for the period of any renewal thereof provided such renewal shall not exceed one year.

(2) Notwithstanding sub-rule (1) but subject to these Rules, where the licensee applies for

(a) the renewal of a mineral deposit retention licence, the licence shall not expire until -

(i) the application is refused or withdrawn or lapses, whichever first occurs; or

(ii) if the application is granted until the instrument of renewal is issued to the applicant; or

(b) the grant of a mining lease in relation to an area of land in or which constitutes the retention area, and in respect of any mineral or group of minerals included in the licence, the licence shall not expire in relation to that area of land and that mineral or groups of minerals until,---

(i) the application is refused or withdrawn or lapses, whichever first occurs; or

(ii) if the application is granted the mining lease is issued to the applicant.

(3) Where a mining lease is issued to the holder of a mineral deposit retention licence in respect of an area of land forming part of the retention area and any mineral or group of minerals included in the mineral deposit retention licence,---

(a) that licence shall cease to have effect in relation to the area of land as from the date of the issue of the mining lease;

(c) any other mineral deposit retention licence shall so cease to have effect unless, with the agreement of the licensee to whom the mining lease is issued, the licensing authority determines otherwise subject to conditions as specified in the rules.

37. Application for mineral deposit retention licence.- (1) An application for a mineral deposit retention licence,---

(a) shall, in the case of an individual, contain the information referred to in Rule 26 (I)(a);

(b) shall, in the case of a company, contain the information referred to in Rule 18(1) (a); 39

(c) shall be accompanied by the description and plan or map referred to in Rule 18 (1) (d) of the area of land, not greater than the exploration area concerned, over which the licence is required;

(d) shall identify the mineral or group of minerals to which the application relates and furnish full details of the proven, estimated or inferred mineral reserves contained therein, and of the mining conditions pertaining thereto;

(e) shall contain particulars of,---

(i) the proposals for the carrying out of work in the exploration area and expenditure during the period of the licence for which the application is made and if no further work in or in relation to the exploration area could be usefully carried out, the reasons therefore;

- (ii) the state of the environment in the area to which the application relates, the likely adverse impact which the proposed operations may have on the environment and the measures to be taken to prevent, mitigate or remedy for such impact;
- (iii) the particulars referred to in Rule 18 (1) (f) (technical and financial resources); and
- (iv) particulars of the exploration licence held by the applicant;
- (g) shall,---
- (i) give reasons in support of the claim that the mineral deposit discovered in the area of land to which the application relates could not then be mined on a profitable basis; and
- (ii) give a forecast of the circumstances in which, and the earliest date on which, the mineral or group of minerals discovered might be so mined;
- (h) shall state the period for which the licence is required, (i) shall be accompanied by relevant data, studies, analyses documents and such other relevant information in relation to the application; and
- (ii) may contain any other matter which, in the opinion of the applicant, is relevant to the application
- (j) An application for a mineral deposit retention licence,---
- (i) shall be made not later than one hundred and eighty days before the expiration of the exploration licence or any renewal thereof or such later date but not later than such expiration date as the licensing authority may allow on good cause shown and
- (ii) retention licence shall comply with the requirements of sub-rules (1) and (7) of Rule 10
38. Grant of refusal of mineral deposit retention licence - (1) The provision of Rule 27 shall apply to the grant / refusal of mineral deposit retention licence.
39. Issue of mineral deposit retention licence - The provisions of Rule 20 shall apply with necessary modifications in relation to the issue of a mineral deposit licence retention licence and for that purpose any reference in those provisions to "reconnaissance licence", "reconnaissance area" and "reconnaissance operations" shall be deemed to be a reference to "retention licence", "retention area" and "exploration operation."
40. Application for renewal of mineral deposit retention licence.— (1) Subject to sub-rule (2), the provisions of Rules 37 shall apply with necessary modifications in relation to an application for the renewal of a mineral deposit retention licence (2) An application for the renewal of a mineral deposit retention licence shall be made not later than ninety days before the date of expiration of the licence or such later date, but not later than the date of expiration, as the licensing authority may allow, on cause shown.
41. Application for amendment of mineral deposit retention licence.- (I) Subject to sub-section may apply to the amendment of the licence- (a) by the reduction of the retention area to which the licence relates; or by the addition of any mineral or group of minerals or associated mineral discovered in the retention area, and not included in the licence.
- (2) The provisions of sub-rules (1) of Rule 10 and 38 shall apply with necessary modifications in relation to an application under sub-rule (1) of this Rule.
- (3) If an application under sub-rule (1) is granted, the licensing authority shall amend the mineral deposit retention licence accordingly, subject to Rule 3 1(4).

42 Obligations of licensee The provisions of Rule 31 (obligations) shall apply with necessary modifications in relation to a mineral deposit retention licence.

43 Work programme under mineral deposit retention licence- The licensee shall carry out any programme of operations, including evaluations from time to time, of the mineral deposit concerned as may be specified in the licence or directed to be performed by the licensing authority, as a condition of any renewal of the licence.

44 Records and reporting by licensee - (1) The licensee shall prepare and keep at an address in Balochistan in a form acceptable to the licensing authority proper records of,---

(a) the Investigation and operations, including the erection and construction of ancillary works earned on by the holder for, or connection with future mining operations described in Rule (b) the location and results of all photo geological studies, Imaging, geological mapping. Geo chemical sampling, geophysical surveying, diting pitting and trenching, sampling and bulk sampling and all other activities undertaken by the licensee in •the course of the exploration operations carried on by the holder in the retention area for future mining operations described in Rule34;

(c) the results of all analytical, metallurgical and mineralogical work incidental to such exploration operations;

(d) the interpretation and assessment of the studies, surveys and works referred to in paragraphs (b) and (c);

(e) the nature, mass or volume of' any mineral incidentally won during exploration operations or otherwise disposed of the amount of money received and full names and addresses of any person to whom such mineral or group of minerals was sold or otherwise disposed of:---

(f) the persons employed by the licensee for purposes of such investigations and operations, including their names, addresses, nationality and ages;

(g) the capital and operating expenditure incurred by the licensee in the course of such exploration operations; and

(h) such other information as may be required by the licensing authority.

(2) The licensee shall also cause to be prepared, by a registered mine survey in accordance with the Sixth Schedule, accurate plans and maps in respect of the retention area.

(3) The licensee shall submit to the licensing authority - (a) within 30 days after the end of the period of the mineral deposit retention licence, i report containing an evaluation of, the prospects and economic viability of future mining operations in the retention area;

(b) such other reports, records and other information as the authority may from time to time require in writing, in connection with the carrying on of investigations and operations in the retention area.

(4) the licensee shall submit to the licensing authority, within 60 days after the end of the period of the mineral deposit retention licence, reports as follows,---

(a) the reports shall be in duplicate as prescribed by the licensing authority;

(b) a report shall be submitted with an application for the renewal of the deposit retention licence or a mining lease in respect of the whole or any portion of the retention area;

(c) where an application is made for a mining lease in respect of portion of the retention area, separate

reports shall be submitted in respect of that portion and the remainder of the retention area;

(d) each report shall set out, in relation to the period of the mineral deposit retention licence,---

(i) an evaluation of the prospects and economic viability of future mining operations in the retention area;

(ii) all information, including photographs, tabulations, tapes and discs, in the records referred to in sub-rule (1) and the plans and maps referred to in sub-rule (2);

(iii) such other particulars as the licensing authority may require in relation to the operations carried on by such licensee.

(5) In the event of the cancellation or surrender of a mineral deposit retention licence under Rule 57 or 60 or the expiry of such licence, the person who was the licensee immediately before the cancellation, surrender or expiration shall, on a date not later than 90 days after the date of the cancellation, surrender or expiry, deliver to the licensing authority,---

(a) all records kept in accordance with sub-rule (1) and

(b) such other books, documents, records and reports as the licensing authority may require, or copies thereof, unless a mining lease is issued to such person in relation to the area covered by such mineral deposit retention licence with from the date immediately following the date of cancellation, surrender or expiry or such later date as the licensing authority may allow, on good cause shown.

#### Division 5- Mining Lease

45. Rights of lessee. - (1) Subject to these Rules and the conditions of the lease, a mining lease shall confer on the lessee,---

(a) the exclusive right to carry on mining operations in the mining area in question in respect of any mineral or group of minerals to which the lease relates;

(b) the right to,---

(i) carry on in the mining area, in conjunction with mining operations referred to in paragraph (a), exploration operations in relation to any such mineral or group of minerals;

(ii) enter and occupy the land which comprises the mining area for the purpose of carrying on mining operations referred to in paragraph (a) and exploration operations referred to in sub-paragraph (i)

(c) the right to remove from the mining area, under valid Rahtdaries, any mineral or group of minerals, from any place where it was found or mined in the course of mining operations referred to in paragraph (a) or found or incidentally won in the course of exploration operations referred to in paragraph (b), to any other place within or outside Balochistan or, subject to such other permission as may be required under any relevant law, to any place outside Pakistan;

(d) the right to take and use water on or flowing through such land for any purpose necessary for mining operations subject to, and in accordance with, the provisions of the relevant legislation relating to water but in tile exercise of such right; the lessee shall not deprive any lands, villages, houses or watering of places for cattle, of a reasonable supply of water;

(e) the right to sell or otherwise dispose of any such mineral or group of minerals subject to any conditions of tile mining lease or mineral agreement relating to the satisfaction of tile internal requirement of Pakistan; and the right, subject to sub-rule (2), to do all other things and carry on such other operations, including tile erection or construction of ancillary works, as may be reasonably necessary for, or in connection with, the

mining or exploration operations, and activities referred to in paragraph (a), (b), (c), or (e).

(2) The provisions of Rule 16 (2) (consent to erection or construction) shall apply with necessary modifications in relation to the lessee who wishes to erect or construct ancillary works under sub-rule (1) of this Rule.

46. duration of lease. (1) Subject to these Rules, a mining lease shall be valid for all initial term of mining lease shall not be less than ten years and shall not exceed thirty years but the lease may contain a clause permitting renewals at the discretion of the licensing authority or Government for further period not exceeding thirty years at a time on such terms and in such form as may be will force on the day on which the renewal is sanctioned.

(2) If the mineral Agreement in case, of L.S.M and the lease deed in case of Small Scale Mining is not executed within three months of the communication of the approval of the application for a mining lease and the presentation of the mineral agreement /lease deed for signature, the right of the applicant to such lease shall be deemed to have lapsed unless the licensing authority is satisfied that the delay in execution was not caused by the applicant or was due to the circumstances beyond the applicant's control.

47. Application for mining lease. - (1) An application for the grant of a mining lease may be made only by a body corporate formed by or under a law for the time being in force in Pakistan.

(2) An application for a mining lease,---

(a) shall contain the information referred to in Rule 18 (1) (a);

(b) shall be accompanied by the description, maps and plan referred to in Rule 18(1)(d);

(c) shall be made in respect of an area of land not exceeding 250 square kilometers and identify the mineral or group of mineral in respect of which tile lease is sought;

(d) shall contain the particulars referred to in Rule 8 (1)(f) (technical and financial resources);

(e) shall be accompanied by,---

(i) a technological report of mining and treatment possibilities and the intention of the applicant in relation thereto;

(ii) where the applicant is a person referred to in Rule 50 (1) the statement of in Rule

33.(1) (h) duly certified by a recognized firm of auditors or chartered accountants.

(f) shall be accompanied by the relevant feasibility studies, and shall include, for the approval of the licensing authority, detailed plans for development and operation of the mine and the programmed of proposed mining operations, including a forecast of,---

(i) the date by which the applicant intends to work;

(ii) the capacity and expected rate of production and scale of operations,

(iii) the anticipated overall recovery of ore and mineral products; and

(iv) the mineral the products;

(g) shall,---

- (i) be accompanied by an environmental impact assessment in terms of the Environmental Protection Act:---
  - (ii) identify the extent of any adverse effect which the plan for development and operation of the mine, and the carrying out of the programme of proposed mining operations would be likely to have on the environment and on any monument or relic in the area over which the lease is required; and
  - (iii) contain proposals for eliminating or controlling that effect;
  - (h) shall contain proposals for the prevention of pollution, the treatment and disposal of wastes, the safeguarding, reclamation and rehabilitation of land disturbed by mining operations, the protection of rivers and other sources of water and for monitoring and managing any adverse effect of mining operations on the environment;
  - (i) shall identify any particular risks (whether to health or otherwise) involved in mining the mineral or group of minerals which it is proposed to mine, and proposals for their control or elimination;
  - (j) shall contain or be accompanied by,---
    - (i) a statement giving a detailed forecast capital investment, operating costs and revenues and the anticipated type and source and extent of financing;
    - (ii) a statement giving particulars of expected infrastructure requirements; and
    - (iii) proposals in respect of the matters specified in Rule 13 (1) (b), (c), (d), (e), (f), (g) and (h);
  - (k) shall state the period, not exceeding thirty years for which the lease is required;
  - (L) shall be accompanied by such other documents and information as the licensing authority may require in relation to the application; and
  - (m) may contain any other matter which in the opinion of the applicant is relevant to the application.
- (3) An applicant for a mining lease shall comply with the requirements of sub-rules (1) and (7) of Rule 10.
48. Grant or refusal of mining lease. -(1) Subject to these Rules, where the holder of exploration licence or a mineral deposit retention licence, makes an application for a mining lease in respect of,---
- (a) an area of land in, or which constitutes, the exploration area or, as the case may be, the retention area; and
  - (b) any mineral or group of minerals included in exploration licence or such mineral deposit retention licence, as the case may be, the licensing authority shall grant the mining lease.
- (2) The licensing authority shall not grant a mining lease in relation to any area of land in respect of any mineral or group of minerals if, at the time of the application, any person other than the applicant holds,---
- (a) any exploration licence conferring an exclusive right to carry on exploration operations in that area of land in respect of that mineral or group of minerals; 47
  - (b) any mining concession in relation to that area of land in respect of that mineral or group of minerals; or
  - (c) any mineral deposit retention licence in relation to that area of land and in respect of that mineral or group of minerals, unless,---

- (i) that other person agrees to the grant of the mining lease ; and
- (ii) the licensing authority deems it desirable to grant. the mining lease in the interest of the development of the mineral resources of Balochistan.

(3) Subject to sub rules- (4) and (5), a mining lease shall not be granted (a) unless,---

- (i) the feasibility studies show that the mine can be profitably developed and operated
  - (ii) the proposed plans for develop and operation of the mine and the programme of the mining operations of the applicant will ensure the efficient, beneficial and timely use of the mineral resources;
  - (iii) the applicant in question has or can obtain the technical and financial resources and experience to carry out mining operation effectively;
  - (iv) the applicant is a fit and proper person to hold the lease;
  - (v) the proposals submitted with the application are satisfactory; and
  - (vi) it is in the interest of the development of the mineral resources of Balochistan to grant the tease;
- (b) if at the time of the application the applicant in question is in default.
- (c) in respect of an area of land exceeding 250 square kilometers unless the licensing authority is satisfied, on reasonable grounds that special circumstances exit which justify the grant of the lease in respect of a larger area for the efficient development of the mineral resources.

(4) The licensing authority shall not refuse to grant a mining lease to the holder of a mineral title referred to in sub- rule(1),---

(a) in accordance with sub-rule (3) (a), unless the licensing authority has -

- (i) by notice in writing, informed the applicant, of its intended refusal and the reasons therefore;
- (ii) afforded the applicant an opportunity to make, within such reasonable period as may be specified in the notice, representations in relation to all matters relating to its intention and, if the applicant so desires, to make proposals in relation to any such matters; and (iii) taken any such representations into consideration;

(b) in accordance with sub-rule (3) (b), unless the licensing authority has, by notice in writing, informed the applicant, of its intended refusal,---

- (i) setting out particulars of the alleged default; and
- (ii) requiring the applicant to make representations to the licensing authority in relation to the alleged default or to remedy the default on or before a date specified in the notice, and the applicant has failed to remedy the default make such representations as, in the opinion of the authority, would remove the ground for the intended refusal.

(5) The licensing authority shall not refuse to grant a mining lease on. the ground that any proposals submitted with the application are inadequate or unsatisfactory unless the licensing authority has, by notice in writing, informed the applicant accordingly and afforded the applicant a reasonable opportunity to modify those proposals.

49. Issue of mining lease.- (I) The provisions of Rule 20 shall apply with necessary modifications in relation to the issue of a mining lease; and for that purpose any reference in those provisions to "reconnaissance

licence" "reconnaissance area" and "reconnaissance operations" shall be construed as a reference to "mining lease" "mining area" and "mining operations".

50. Application for renewal of mining lease.- (1) Subject to sub-rule (2), the provisions of Rules 47 and 48 shall apply with necessary modifications in relation to an application for the renewal of a mining lease under this Rule.

(2) An application for the renewal of a mining lease shall be made not later than twelve (12) months before the date of expiration of the lease or such later date, but not later than such date of expiration, as the licensing authority may allow, on good cause shown.

(3) Subject to sub-rule (4), on application duly made, the lease may be renewed in accordance with Rule 48 (1) (b) with or without a variation of the conditions of the lease.

51. Application for amendment of mining lease.- (1) Subject to sub-rule (2), the lessee may apply for the amendment of the lease,---

(a) by the extension or reduction, or both, of the mining area to which the lease relates; or

(b) by the addition of any mineral or group of minerals, or associated minerals discovered in the mining area, and not included in the lease

(2) The provisions of sub-rules (1) of Rule 10 and Rules 45 and shall apply with necessary modifications in relation to an application under sub-rule (1).

(3) If an application under sub-rule (1) is granted by the licensing authority, it shall amend the mining lease accordingly.

52. Obligations of lessee.- (1) Subject to sub-rule (2), the provisions of Rule 31 (obligations) shall apply with necessary modifications in relation to a mining lease and for that purpose, the reference in that Rule to "exploration area" or "licensee" shall be deemed to be a reference to "mining area" or "lessee

(2) It shall be a condition of a mining lease that the holder shall commence mining operations in the mining area within six months of the issue of the lease and shall carry on those operations in accordance with the approved plan for development and operation of the mine.

(3) Any material change in the plan for development and operation of the mine and the programmed of mining operations after the lease is granted, shall require the approval in writing of the licensing authority.

53. Notice of cessation of mining operations.- The lessee shall give notice in writing to the licensing authority of any intention to temporarily cease mining operations, or to reduce the normal rate of production, on a date not later than thirty days in the case of an intended cessation of operations.

54. Action by licensing authority. On receipt of a notice referred to in Rule 51, or if the licensing authority has reason to believe that the lessee has ceased, whether permanently or temporarily, or reduced, mining operations, the licensing authority may cause the matter to be investigated and,---

(a) give its approval to the cessation or reduction on such conditions (if any) as the authority may determine; or

(b) refuse to give approval, and give such directions to the lessee as the authority deems appropriate.

55. Unit development.- (I) This Rule applies where the licensing authority determined that,---

a) in the interest of the effective recovery of minerals from neighboring or contiguous mining areas; or

(b) in the national interest in order to secure the rational development and ultimate recovery of any minerals from neighbouring or contiguous mining areas, it is desirable that the lessees in those areas should coordinate their operations or develop their deposits as a unit.

(2) Subject to sub-rule (3), where this Rule applies, the licensing authority may, in Writing, direct the lessees concerned, stating the reasons for such directions,---

(a) to enter an agreement, within the period specified in the direction, for or in relation to the co-ordination of their operations or the development of their deposits; and

(b) to lodge that agreement with the licensing authority forthwith for approval (3) Before giving any direction under sub-rule (2), the licensing authority shall afford each lessee concerned a reasonable opportunity to make representation to the licensing authority in writing with regard to the proposed direction.

(4) Where,---

(a) an agreement is not lodged as required by sub-rule (2); or (b) an agreement so lodged is not satisfactory to the licensing authority, the licensing authority may cause a plan to be prepared in accordance with good mining practices, and afford each lessee concerned a reasonable opportunity to make representations to the licensing authority in writing with regard to the plan.

(5) Each lessee concerned shall perform and observe the conditions of,---

(a) a plan which is satisfactory to the licensing authority; or

(b) a plan, (with or without modifications as a result of any representations made pursuant to sub-rule (4), prepared under that sub-rule.

56. Records, and reporting by lessee.- (1) The lessee shall prepare and keep at an address in Balochistan, in a form acceptable to the licensing authority, proper records of

(a) the mining operations to in Rule 45 (1) stating (1) the nature, appraisal and results of all mining operations on in, or in connection with, the mining area to which such mining lease relates,

(ii) the nature, and mass or volume of any mineral or group I of minerals won or mined, or found or incidentally won in such mining area and treated or stockpiled in such mining area or elsewhere;

(iii) the nature, mass or volume and value any such mineral or group of minerals sold or otherwise disposed of the amount of money received and, the full names and addresses, of any person to whom such mineral or group of minerals was sold or otherwise disposed of;

(iv) the nature and mass or volume of any waste removed from such mining area and the manner in which it was disposed of;

(v) the nature, location and results of all photo geological studies, imaging, geology mapping, geo chemical sampling, geophysical surveying, drilling, pitting and trenching, sampling and bulk sampling, and all other activities undertaken by lessee iii the course of such exploration operations;

(vi) the results of all analytical, metallurgical and mineralogical work incidental to such exploration operations;

(vii) the interpretation and assessment of the studies, surveys and work referred to in sub-paragraphs (v) and (vi);

- (viii) the nature, mass or volume and value of any mineral or group of minerals found or incidentally won in the course of such mining operations;
- (ix) the capital and operating expenditure incurred by such lessee in the course of such exploration operations; and
- (x) such other information as may be required by the licensing authority.

(2) The lessee shall also cause to be prepared, by a registered mine surveyor, in accordance with the Sixth Schedule, accurate plans and maps in respect of the mining area and such plans and maps shall be kept in the office of the mine.

(3) the lessee shall submit within 15 days after the end of each quarter, or such other periodic interval as may be required by the licensing authority, in a form acceptable to the licensing authority, a return or returns containing in relating to. such quarter,---

- (i) such of the particulars and information contained in the to in sub-rule (1) as may be required by the licensing a by notice in writing to the lessee,
- (ii) all information, including photographs, tabulations, tapes and discs, in the records referred to in sub-rule (1) and the plans and maps referred to in sub-rule (2),
- (iii) an estimate of the remain mineral reserves in such mining area properly illustrated by way of plans and maps according to an appropriate scale,
- (iv) particulars of any proposed mining operations during the succeeding year, together with a forecast of the source of such mining operations in terms of delineated mineral reserves, and
- (v) such other reports, records and information as the licensing authority may require in relation to the mining operations carried on by the lessee in such mining area

(4) The lessee shall submit to the licensing authority within 60 days after 31 December in each year, returns or reports as follows:---

- (a) the returns or reports shall be in duplicate and in a form acceptable to the licensing authority
- (b) the returns or reports shall contain, in relation to each year such summary of the particulars and information contained in the records referred to in sub-rule (1) as may be required by the licensing authority by notice in writing to the lessee,

(5) In the event of the cancellation or surrender of a mine lease under Rule 57 or Rule 58 or the expiration of the term of the mining lease, the person who was the lessee immediately before such cancellation, surrender or expiration shall, on a date later than 180 cancellation surrender or expiration, deliver to the licensing authority,---

- (a) all records kept in accordance with sub-rule (1)
- (b) all maps and plans referred to in sub-rule (3)
- (c) all reports photographs tabulations tapes and discs prepared by on behalf such person in the courts of operation and
- (e) such other hooks, documents, records and reports as the licensing authority may require, or copies of the items referred to in paragraphs (a) to (d).

## Division-6 Cancellation and Surrender Of Mineral Titles Or Mineral Concessions

57. Cancellation of mineral titles or mineral concessions (1) Subject to this Rule and to Rule 65, when the holder of a mineral title to a mineral concession,

(a) fails to use in good faith the land subject to the title or concession for the purpose for which the title or concession was granted;

(b) uses that land for any purpose other than the purpose for which the title of mineral concession was granted,

(c) fails to comply with any requirement of these Rules with which the holder is bound to comply,

(d) fails to comply with a condition of the title, (e) fails to comply with a direction lawfully given under these Rules or with a condition on which any certificate of surrender is issued or on which any exemption or consent is given under these Rules;

(f) fails to pay royalty and annual rental payable under Rule 104 (2) and 108 (3) of the fourth month after the amount becomes due; or

(g) persistently contravenes provision of any of the rules, the licensing authority may cancel the title or the concession on that ground: by notice in writing served on the holder of the title or the concession.

(2) Before canceling a title under sub-rule (1), on a ground referred to in that sub-rule, the licensing authority shall,---

(a) by notice in writing served on the holder of the title or the concession give not less than thirty days notice of its intention to so cancel the title or the concession on that ground,---

(b) specify in the notice, a date before which the holder of the title or the concession may, in writing, submit any matter which the holder wishes the licensing authority to consider; and

(c) take into account,---

(i) any action taken by the holder of the title or the concession to remove that ground or to prevent the recurrence of similar grounds; and

(ii) any matter submitted to the authority by the holder, of the title or the concession pursuant to paragraph (b).

(3) The licensing authority shall not cancel a title or concession under sub-rule (1) on a ground referred to in paragraph (f) of that sub-rule if, before the date specified in a notice referred to in sub-rule (2), the holder of the title or the concession pays the amount of money concerned together with any penalty arising pursuant to the relevant Rule.

(4) The licensing authority may, by notice in writing served on the holder of a mineral deposit retention license, cancel the license if the holder fails to make application for a mining lease.

(5) The Licensing authority may, by notice in writing served on the holder of a mineral title or the mineral concession cancel the title or concession,---

(a) if the holder (being an individual) is,---

(i) adjudged bankrupt; or

(ii) enters into any agreement of scheme of composition with creditors or takes advantage of any law for the benefit of debtors;

(b) if, in the case of a holder that is a company, an order is made of a resolution is passed for winding up the affairs of the company, unless the winding up is for the purpose of amalgamation or reconstruction and the licensing authority has been given notice thereof; or

(c) in the mineral title or the mineral concession was obtained by fraud or misrepresentation.

(6) Where an application has been made under Rule 64 for the transfer of a mineral title or a mining concession or of rights or interests to or in a mineral title or mining concession consequent on the death of an individual who is the holder of the title or concession, the licensing authority shall not cancel the title or the concession unless the authority has refused to grant the transfer.

(7) Where a mineral title or a mineral concession is held by two or more persons, the licensing authority shall not, under Sub-Rule (5), cancel the title or mineral concession, in relation to one or some only of the persons on the occurrence of an event entitling the licensing authority to so cancel the mineral title or the mineral concession unless the authority is satisfied that any other person or persons who hold that title or concession are unwilling, or would be unable, to carry out the duties and obligations of the holder of that mineral title or mineral concession.

(8) On the cancellation of a mineral title or a mineral concession the rights of the holder there under shall cease, but the cancellation does not affect any liability incurred before the cancellation and any legal proceedings that might have been commenced or continued against the former holder of the title or concession may be commenced or continued against that former holder.

58. Surrender of mineral titles and mineral concession. — (1) The holder of a mineral title or mineral concession who wishes to surrender all or part of the land subject to the mineral title or the mineral concession shall, not less than three months before the proposed date of surrender, apply to the licensing authority for a certificate surrender in respect of the land.

(2) An application under sub-rule (1) shall,---

(a) state the date on which the applicant wishes the surrender to have effect;

(b) any part only of the land subject to the title or the concession is to be surrendered, identify the land to be surrendered by a description and the inclusion of a map identifying that part;

(c) contain particulars of reconnaissance, exploration or mining operations, as the case may be, carried on in respect of the land to be surrendered; and

(d) be supported by such records and reports in relation to those operations as the licensing authority may reasonably require.

(3) Subject to sub-rule (4), on application made under sub-rule (1), the licensing authority shall issue a certificate of surrender in respect of the land to which the application relates either unconditionally or subject to such conditions as are specified in the certificate.

(4) The licensing authority shall not issue a certificate of surrender,---

(a) to an applicant who is in default;

(b) to an applicant who fails to comply with, any reasonable requirement of the licensing authority for the purposes of sub rule (2) (d); or

(c) if the authority is not satisfied that the applicant will leave land to be surrendered and on which reconnaissance, exploration or mining operations have been carried on, in a condition which is safe and which accords with good reconnaissance, exploration or mining practices.

59. Effect of certificate of surrender. (1) Where, pursuant to Rule 58 (3), a certificate of surrender is issued, the licensing authority,---

(a) shall, if part only of the land subject to a mineral title or mineral concession is surrendered, cause the title or permit to be amended accordingly; or

(b) shall, in any other case, cause the mineral title or mineral concession to be cancelled; and in either case, the authority shall give to the applicant, notice in writing of the amendment or, as the case may be, the cancellation, and of the issue of the certificate of surrender.

(2) Land in respect of which a certificate of surrender is issued shall be treated as having been surrendered with effect from the date on which a certificate of surrender is given to the applicant pursuant to sub-rule (1).

(3) The surrender of any land does not affect any liability incurred before the date on which the surrender has effect in respect of the land, and any legal proceedings that might have been commenced or continued against the holder or, as the case may be, the former holder may be commenced or continued against former holder.

#### Division 7- Registration and transfer of mineral titles and mineral concessions

60. Titles and Concessions Register. - The licensing authority shall cause a record to be made, in a Titles Register and Concession, Register kept for the purpose, of every mineral title or mineral concession issued and of any dealings with or affecting a mineral title or mineral concession specifying,---

(a) the number of the mineral title or mineral concession;

(b) the name and address of the holder;

(c) the date of issue and the period for which the title or the concession is granted;

(d) the mineral or group of minerals for which the title or the concession is granted;

(e) the total area;

(f) the date of any renewals;

(g) annual rental and rate of royalty;

(h) the date of any assignment or transfer;

(i) the date of any surrender or cancellation of the title or concession;

(j) the date of any amendments to the title or concession; and

(k) such other information as the licensing authority may consider necessary.

61. Inspection of Titles and Concessions Register, etc. - The Titles Register and the Concession Register shall, on application, be open for inspection by the applicant who may take copies of any title or concession or entry in the Register, on payment of the appropriate fee set out in the First Schedule, or such other fee as may be notified by the Government, from time to time, in the Official Gazette.

62. Rectification of Titles and Concessions Register .- Where the , licensing authority is satisfied that there has been a mistake made in, or that some matter has been incorrectly entered in, or omitted from the Titles Register or the Concession Register it shall rectify the Register by correcting that mistake or incorrect entry.

63. Register of mine surveyors.- (1) The licensing authority shall maintain a register of mine surveyors, to be known as registered mine surveyors, who (a) possess such qualifications;

(b) apply to the licensing authority to be entered in that register; and

(c) in the opinion of the licensing authority, are competent to,---

(i) carry out boundary demarcations and make surveys, both underground and above ground; and

(ii) prepare plans required under these Rules.

(2) An application under sub-rule (1)(b) shall be accompany by the fee specified in the First Schedule, or such other fee as may be notified by the Government, from time to time, in the Official Gazette.

(3) Where it appears to the licensing authority that a registered mine surveyor has committed gross negligence or misconduct in the discharge of any duties under these Rules the licensing authority shall,---

(a) mineral the registered mine surveyor a reasonable opportunity to be heard on the matter; and

(b) if satisfied, after hearing the registered mine surveyor, that gross negligence or misconduct was committed, remove the mine of that mine surveyor from the register.

(4) The fact that a person's name is entered in the register kept under this Rule shall not be construed or used as evidence of that person's professional or academic qualification.

64. Transfer, or assignment of mineral titles or mining lease (SSM): (1) A transfer or assignment of a mineral title or mining lease (SSM) or of rights or interests to or in such titles or mining lease shall have no effect unless.

(a) the licensing authority, in writing, approves that transfer or assignment; and (b) the transfer or assignment is to a person capable of holding the title or concession under these Rules.

(2) Where an application is made to the licensing authority for any approval referred to in sub-rule (1) the licensing authority may, subject to sub-rules (3) and (5), give its approval, subject to such conditions as it deems necessary in the circumstances.

(3) Subject to sub-rule(4) the licensing authority shall not give its approval to any dealings referred to in sub-rule (1),---

(a) with a reconnaissance

(b) with an exploration licence during the first two years of its terms

(c) with an exploration licence or a mining lease (LSM) where the participating interest of the proposed assignor proposed assignee shall be than 10% total participating interest of the parties constituting the licensee or lessee; or

(d) unless the licensing authority is satisfied on reasonable grounds that,---

(i) the proposed assignee or transferee has the financial and technical resources to undertake the obligations under the mineral title; the proposed assignee or transferee is a fit and proper person to hold

the mineral title; and

(ii) the proposed assignment or transfer will not adversely affect operations under the mineral title; and

(4) An application under this Rule shall,---

(a) be in the form set out in the Seventh Schedule, or such form as may be approved by the licensing authority;

(b) be accompanied by the fee set out in the First Schedule or such other fee as may be notified by the Government, from time to time, in the Official Gazette.

(c) contain, in respect of the proposed assignee or transferee, the information referred to in Rule 18( a) and (1) (technical and financial resources) and all other relevant information required in respect of an applicant for a mineral title or mining concession and;

(d) be accompanied by an unconditional undertaking by the proposed assignee or transferee to assume all the obligation of the proposed assignor and to comply with all the terms and conditions if approval for the assignment is granted.

(5) The licensing authority may require any applicant for any approval referred to in sub-rule (2) to furnish to it such information as it may reasonably require to enable it to dispose of the application and the applicant shall comply with the requirement.

(6) No licensee or lessee shall sublet the mine for the purpose of extraction of the mineral.

Explanation.- Sub-letting includes such act on the part of a licensee or a lessee whereby the liberties, powers, privileges and obligations under the license or lease as the case may be are transferred to a third party in respect of the area demised under the license/lease or any part thereof but shall not include winning of mineral through labor contractor while the Licensee or the Lessee continues to be in full control of all operations, remains responsible for all managerial, administrative, technical, commercial and financial obligations and activities and the mineral won is the property of the Licensee or the Lessee.

#### Division 8 - MISCELLANEOUS PROVISIONS

65. Force majeure (1) Failure on the part of the Licensee or Lessee to fulfill any of the terms and conditions of these Rules shall not give the licensing authority or the Government any claim against the Licensee or Lessee for the breach of the terms and conditions of the licence or lease in so far as such failure arises from force majeure.

(2) Under this Rule the expression Force Majeure means an act of God, war, insurrection, riot, civil commotion, tide, storm, tidal wave, flood, lightning, explosion, fire, earthquake and any other happening which the Licensee or Lessee should not reasonably, prevent or control.

(3) The provisions of this Rule shall not be construed as exempting any holder of a mineral title or mineral concession from complying with any obligation under the mineral title or mineral concession or these Rules to pay any royalties, annual charges, rent or which may have become due prior to the Force Majeure.

66. Joint liability.- Where a mineral title or a mineral concession is held by more than one holder, the liability of the holders under these Rules in respect of any breach thereof shall be joint and several.

67. Competitive bids. — The licensing authority may, on such conditions as it thinks fit, invite competitive bids on an open basis;

(a) for the issue of an exploration licence or a mining lease or mining concession in respect of any area

of land which is not subject to,---

- (i) a reconnaissance licence, which gives the holder, an exclusive right to in Rule 16 (3);
  - (ii) an exploration licence, a mining lease or a mineral deposit retention licence or a milling concession; or
  - (iii) litigation or arbitration;
- (b) where several applications have been received in respect of the same area for the same mineral; or
- (c) on an area of land which has proven mineral reserves and has become available for the issue of all exploration licence or mining Lease or mining concession as a result of the relinquishment, surrender, termination or, subject to paragraph(a) (iii), the cancellation of a licence or lease with respect to that area of land.

68. Performance guarantees. - (1) A person shall, at the time of the grant of a mineral title, or mineral concession other than a reconnaissance licence, lodge with the licensing authority security for compliance with the orders / obligations wide these Rules.

(2) A security under sub-rule (1) shall be by way of bank guarantee, parent company guarantee or in the form of National Defense Savings Certificate.

69. Indemnity. The holder of a mineral title shall indemnify the Government against all claims, demands, injury or damage of any kind (including, but not limited to, claims for loss or damage to property or injury or death to persons) resulting from any act or omission by the holder in the conduct of mineral operations .

70. Appeal. - (1) Subject to the terms of a mineral agreement, a mineral title or a mineral concession ally person aggrieved by a decision of the licensing authority in respect of any matter or dispute regarding the mineral title or mineral concession may, within thirty days of tile date of that decision, appeal against that decision to tile Government in the appropriate department.

Explanation:- Appropriate department mean the Secretary Department of Mines & Minerals, Government of Balochistan.

(2) A person who lodges an appeal pursuant to this Rule, shall pay ill 1- respect of that appeal, tile fee specified in the First Schedule or such other fee as maybe notified in the Official Gazette.

(3) Every appeal on proper format in quadruplicate shall be accompanied by:---

- (a) Original receipted challan of the appeal fee;
  - (b) All attested copy of impugned order
- (4) The decision of the Government of such appeal shall be final.

(5) The Government, while hearing the appeal under sub- rule (1) may, if it so considers necessary in the interest of justice, grant a stay order,---

Provided that no such order shall be passed in respect of. Government dues unless the appellant deposits 25% of the disputed amount with the Licensing authority.

71. Rights over data. - (1) Subject to sub-rule (2), the Government shall have the exclusive right to all data including geological, geophysical; geochemical, petrochemical, engineering, pit logs, maps, magnetic tapes, cores and production data, as well as all interpretative and derivative data including reports, studies, analyses, interpretations, bulk sampling results, assaying results, evaluations and other information in

respect of exploration or mining operations.

(2) Subject to sub-rule (3), the holder of a mineral title or mineral concession shall have the right to make use of other data referred to in sub-rule (1), free of cost, for the purpose of exploration or mining operations and to retain copies or samples - of material or information constituting the data.

(3) Data permitted to be used or retained as provided in sub-rule (2), which is not in the public domain, shall not be disclosed to any person without the prior consent of the licensing authority, except,---

- (i) as may be necessary for the purpose of, or in connection with, exploration and mining operations; or,---
- (ii) as required by law, or for the purpose of arbitration or litigation.

#### PART IV - SPECIAL PROVISION RELATING TO SMALL SCALE MINING

##### Division 1 - General

72. Small scale mining - For the purposes of these Rules " small scale mining" means mining determined by the \_licensing authority to be small scale mining by reason of,---

- (a) the likely scale of capital investment being less, than 300 million Rupees or such other amount as may be determined by' the licensing authority front time to time by notification in the Official Gazette;
- (b) the expenditure and work programme proposed by the applicant;
- (c) the nature of the technique be used in mineral operations;
- (d) the likely scale of the operations and infrastructure to be required;
- (e) the mineral or group of minerals to be mined; and
- (f) such other factors as may be relevant to making the determination.

73. Persons who may hold mineral concession. - A person may not hold a mineral concession unless the person,---

- (a) is a citizen of Pakistan; or
  - (b) is a company formed by or under a law for the time being in force in Pakistan whose articles of association contain a provision that,---
- (i) only citizens of Pakistan may own shares in the company;
  - (ii) only another company whose articles of association contain such a provision may own shares in the company; or
  - (iii) only a citizen of Pakistan and a company referred to in sub-paragraph (ii) may own shares in the company.

74. General condition - The provisions of Rules 13, shall apply to the holder of a mineral concession with necessary modification as maybe specified in the, concession having regard to the nature and scale of the prospecting operations or mining operations determined by the licensing authority pursuant to Rule 72.

##### Division 2 - Prospecting Licence

75. Rights and obligations of holder of prospecting licence. (1) Subject to sub-rule (2), the holder of a prospecting licence shall be entitled to carry on prospecting operations in the prospecting area for any mineral to which the licence relates;

(2) The provisions of paragraphs (b), (c), (d), and (e) of sub-rule (1) of Rule 23 and sub-rules (2), (3) and (4) of that Rule shall apply with necessary modification in relation to the holder of a prospecting licence as they apply in relation to a licensee under Rule 23.

(3) The holder of a prospecting licence shall not exercise any rights conferred by sub-rule (1),---

(a) in respect of any mineral or group of minerals on land forming part of reconnaissance area in relation to which an exclusive right referred to in Rule 16 (3) has been conferred upon any person in respect of that mineral or group of minerals;

(b) on land in an exploration area, a mining area, a retention area or in an area subject to a mining lease; or

(c) on land in relation to which an application is pending for an exploration licence, a mineral deposit retention licence, a mining lease.

(4) The provisions of Rule 31 shall apply with necessary modifications in relation to the holder of a prospecting licence as they apply in relation to a licensee under that Rule.

76. Application for prospecting licence. (1). An application for the grant of a prospecting licence shall be in the respective form set out in the Seventh Schedule.

(a) in the case of an individual, the full names, nationality, date of birth and the postal and residential address of the person;

(b) In case of a partnership firm an authenticated copy of partnership deed, and in the case of Registered firm, a copy of the Registration Certificate from Registrar of the Firms/Companies.

(c) in the case of a company, its name, particulars of its incorporation and registration, its registered address and principal place of business in Balochistan and the names, addresses and nationalities of the directors and shareholders of the company;

(d) the applicant's financial and technical resources;

(e) shall be accompanied by a non-refundable fee specified in the First Schedule.

(f) shall be accompanied by 16 copies of the map duly signed and showing the boundaries and areas of the land in respect of which the prospecting has been applied for. The map shall be prepared from Survey of Pakistan. Map of the scale 1:50,000 or nearest scale available.

(g) shall in relation to the minerals specified in the first column of the Fourth Schedule, be made in respect of the area of land specified in the third and fourth columns of that Schedule, in relation to each mineral;

(h) shall identify the minerals in respect of which the licence is required;

(i) shall be accompanied by such documents as the licensing authority may require in relation to any matter referred to in Rule 72 or this Rule; and

(j) may contain any other matter, which, in the opinion, of the applicant, is relevant to the application.

77. Disposal of applications for prospecting licence.- (1) On application made for the grant of a prospecting

licence, the licensing authority may, subject to these. Rules, grant the licence on such conditions as the authority may determine, or refuse to grant the licence.

(2) The licensing authority shall not grant a prospecting licence under sub-rule (1)-

(a) in respect of an area of land which is less or more than the minimum and maximum areas specified in the third and fourth columns of the Fourth Schedule in relation to the mineral specified in the first column in that Schedule except as provided in Rule 3.

(b) for a period exceeding two years;

(3) The provisions of sub-rules (2) and 3(a) and (b) of Rule 27 shall apply, with necessary modifications in relation to prospecting licence as they apply to in relation to a licence tender that Rule.

78. Issue of prospecting licence. The provisions of Rule 20 shall apply, with necessary modifications in relation to the issue of a prospecting licence as they apply in relation to the issue of a licence under that Rule and, for that purpose, any reference in those provisions to "reconnaissance licence" "reconnaissance area" and "reconnaissance operations" shall be construed as a reference to "prospecting licence" "prospecting area" and "prospecting operations".

79. Duration of prospecting licence. Subject to these Rules, a prospecting licence shall be valid for a period of not less than two years from and including the date on which it is issued, as may be determined by the licensing authority and specified in the licence.

80. Prospecting licence may not be transferred, etc. An prospecting licence shall not be transferred or renewed, and the holder of an prospecting licence shall not grant, or assign any interest in or right to any such licence to any other person.

81. Records, and reporting by holder of prospecting licence. — (I) The holder of a prospecting licence,---

(a) shall keep at an address in Balochistan, in a form acceptable to the licensing authority, proper records of

(i) the nature and mass or volume of any mineral or group of minerals found or incidentally produced and in the course of carrying on prospecting operations; and

(ii) all maps, geological reports, including interpretations, mineral analyses, photographs, ore logs, analyses and tests and all other data obtained by the holder in respect of prospecting area; and

(iii) such other information as may be determined by the licensing authority and specified by notice in writing given to the holder; and shall retain such records for a period of not less than three years as from the date of expiration of the licence; and

(b) shall, upon the request of the licensing authority, produce the record referred to in paragraph (a), or copies thereof, to the licensing authority for inspection.

(2) The provisions of sub-rule (2) of Rule 33 shall apply, to the holder of prospecting licence subject to such necessary modifications as may be specified in the licence having regard to the nature and scale of the prospecting operations determined by the licensing authority pursuant to Rule 72, and, for that purpose, any referred in that sub-rule to the licensee shall be construed as a reference to the holder of prospecting licence.

(3) The holder of a prospecting licence shall submit to the licensing authority, after the of each quarter, a return or returns containing such quarter, the progress of work carried out by him and shall abide by the instructions issued by the licensing authority from time to time in respect of the prospecting work.

## Division 3 - Mining Lease

82. Rights and obligation of holder of mining lease.- The provisions of Rules 45 and 52 shall apply with necessary modifications in relation to a mining lease held by Small Scale Mining holder.

83. Application for mining lease.- (I) An applicant for the grant of a mining lease shall submit along with the application a complete exploitation scheme for the approval of the licensing authority for working and exploiting the mineral under technically qualified personnel. The scheme shall be prepared and authenticated by qualified technicians having technical qualifications prescribed in Form- I

(2) (a) The exploitation scheme shall inter-alia, include:---

(i) a statement of expenditure incurred by the Licensee during, prospecting, duly audited and certified by a Registered Firm of Auditors / Chartered Accountants;

(ii) detailed maps of the area of which at least one third would 5"-1" show the geology of the area in detail on a scale of mile minimum;

(iii) location and description of major deposits;

(iv) estimates of proved and probable reserves;

(v) minimum rate of production;

(vi) methods of mining including machinery and equipment to be used;

(vii) technical personnel to be employed at various states of exploitation;

(viii) details of roads and other surface as well as under ground construction such as store and lamp room, workshops, beneficiation or mineral dressing plants, offices, residential accommodation and other amenities for staff and labour to be constructed, etc., and

(ix) estimated phased expenditure on the scheme.

(b) (i) furnish banker's guarantee for such reasonable sums as the licensing authority may fix at the time of scrutinizing the scheme submitted under sub-rule (a) (1) above.

(ii) The licensing authority may approve the exploitation scheme subject to such modifications as the licensing authority may prescribe. No change in the approved. exploitation scheme shall be made by the Lessee without prior approval in writing of the licensing authority.

(iii) If the scheme of exploitation does not fulfill all the requirements of Rule 83 it shall be rejected. The applicant whose scheme has been rejected shall submit a revised scheme of exploitation within three months from the date of rejection failing which his application for the grant of mining lease shall be rejected and the prospecting licence shall also be cancelled.

(iv) A copy of the approved exploitation scheme shall be kept by the Lessee at the mine.

(v) In addition to the information supplied under sub-Rule (2) clause (i) above, the applicant shall also, where necessary, as required by the licensing authority furnish plans or sections to illustrate, justify or amplify the exploitation scheme.

(c) Shall state the period not exceeding 30 years for which the lease is required and the mineral or group of minerals to which the application relates;

(f) shall

(i) in relation to the minerals specified in the first column of the Fourth Schedule, be made in respect of the area of land specified in the third and fourth columns of that schedule in relation to each such mineral; and

(ii) shall describe the mineral deposits in the area of land over which the lease is sought;

(2) The provisions of sub-rules (1) and (7) of Rule 10 shall apply with necessary modifications in relation to an application under sub-rule (1).

84. Disposal of application for mining lease. (1). Subject to these Rules, the provision of Rule 77 shall apply for the grant of mining lease with necessary modification in relation to a prospecting licence.

85. Requirement to apply for mining lease ( Where a person applies for a mining lease, the licensing authority may, subject to this Rule, require the applicant to apply for a mining lease Large Scale Mining instead of a mining lease. (Small Scale Mining) if the authority determines having regard to Rule 72, that the application is not in respect of small scale mining.

(2) Before requiring an applicant to apply for a mining lease the licensing authority, shall,---

(a) give notice in writing to the applicant of the authority's intention stating the reason therefore

(b) afford the applicant an opportunity within such reasonable period as is stated in the notice to make representations with regard to that intention; and

(c) take into account any representations so made.

86. Duration of mining lease. -(1) Subject to these Rules, a mining lease,---

(a). shall be valid for a minimum period not less than ten years and more than 30 years.

(b) may be renewed for such further periods not exceeding 30 years on each occasion.

(2) Notwithstanding the provisions of sub-rule (1) but subject to these Rules, where an application is made by the holder of a mining lease for the renewal of the lease in relation to a mineral or group of minerals to which the lease relates the lease shall not expire in relation to that area of land and that mineral or group of minerals until the application is refused, or withdrawn or lapses, whichever first occurs, or if the application is granted, until issue of the instrument of renewal.

87. Application for renewal of mining lease. - (1) Subject to sub-rule (2), the provisions of and 77 shall apply, with necessary modification in relation to an application for the renewal of a mining lease.

(2) An application for the renewal of a mining lease shall be made not later than twelve months before the date of expiration of the lease or such later date, but not later than such date of expiration, as the licensing authority may allow, on good cause shown.

(3) On application duly made, the lease may be renewed in accordance with Rule 86(1) (b) with or without a variation of the conditions of the lease.

88. Application for amendment.- (1) The provisions of sub-rules (1) and (3) of Rule 51 shall apply with necessary modifications in relation to a mining lease as they apply to Small Scale Mining in relation to a mining lease as they apply to Large Scale Mining under that Rule.

(2) The provision of sub-rule (1) of Rule 10 and Rules 83 and 84 shall apply, with necessary modifications in relation to an application under sub-rule (1).

89. Records and reporting by holder of any lease. Subject to this Rule, the provisions of Rule 81 shall apply with necessary modification in relation to a pro prospecting licence.

90. Keeping the Area Un-Worked /Un-Utilized.- (1) Mining concession holder shall carry out mining operations in a proper skilful and workman like manner over the granted concession. If at any time it is found on inspection that the concession holder is not conforming to the provisions of Prospecting / Exploitation Scheme or has not been able to utilize the entire allotted area or has kept the allotted areas idle for years together continuously, the Licensing Authority shall take action for cancellation of the un-worked/un-utilized area and grant the same under the provisions of these rules.

(2) Before taking action under the above rule the concession holder shall be provided opportunity of being heard to explain his position.

91. Areas granted by in-advertence.- If at later stage it is found that the prospecting licence or mining lease has been granted by inadvertence, the Lessee or Licensee shall release un-conditionally area or part thereof granted under a prospecting licence or a mining lease, if so desired by the licensing authority, and shall have no claim for any compensation.

92. Separate Application to be made for each area and each mineral .- A separate application shall be made in respect of each area and each mineral.

93. Pre-emption- The Government shall at all times have the right of pre-emption over the minerals lying upon the land in respect of which a licence or lease has been granted or elsewhere under the control of the Licensee or Lessee, provided that the fair market price to the Licensee or Lessee shall be paid for all minerals taken in pre-emption.

94. Arbitration.- Notwithstanding the Provision of Rule 70 any dispute concerning,---

(a) the cancellation of licence or lease for any violation of the under-taking given in accordance with Rule 10 or

(b) the price of minerals pre-empted by the Government; or

(c) the price of plant purchased by the Government at the determination of the mining lease or earlier or

(d) the compensation payable to the lease for any loss damage that may be proved to have been sustained by the Lessee by reason of the Government taking control of works plants and premises of the Lessee; or

(e) the compensation payable to the Lessee on the Government taking over all the rights of the lease under any mining lease shall be determined by two arbitrators one to be nominated by the Government and the other Lessee; and in the case of disagreement by one of the arbitrators, by a Judge of the High Court of Balochistan, appointed by the Chief Justice, on an application by the arbitrators in writing, and the decision of such arbitrators or such judge as the case may be shall be final. The arbitration fee shall be payable to arbitrators in accordance with the Arbitration Act.

95. Local participation.- The licensing authority shall have the right,---

(a) Association of local capital - To require the applicant of grant of a prospecting licence or a mining lease to associate capital furnished by such residents of the district or division where in the area applied for is situated to such an extent approved by the licensing authority.

(b) Submission of data to Statistical organization.- To require the Licensee to submit statistical information as may be required for the proper development to all Government approved Statistical Organizations in such forms as may be prescribed

(c) To require the Licensee or Lessee to grade, beneficiate and concentrate the mineral to attain the standards by a general or special order of the licensing authority or Government or to set up a plant within the time limit prescribed by the licensing authority, the product of which requires the use of mineral for which prospecting licence or mining lease is held as major raw material. Violation of any order made by the licensing authority in exercise of its rights under (g) and (h) shall render all the concessions held by him liable to cancellation.

96. Reward for Discovery of mineral (a) Any person other than a public service directly concerned with prospecting, exploration, exploitation or development of mines and mineral discovering a commercially exploitable mineral deposit shall be entitled to a cash reward or option for taking out prospecting licence if he discovers a commercially exploitable mineral deposit other than the one for which he already holds an appropriate prospecting licence or a mining lease.

(b) The discoverer may register his claim with the licensing authority giving the particulars of the area where the mineral occurs furnishing details of his discovery including samples of the mineral found, a copy of plan showing survey details on the scale of 1:50,000 or the nearest scale available showing the area of the occurrence of the mineral. The discoverer may also submit a rough sketch, marking the physical features and whereabouts of his discovery identifying various land marks in and around the discovery.

(c) The registration shall confer on the discoverer a right to get a prospecting licence over the area independently or in association with other suitable persons within these Rules, provided a formal application for the purpose is received by the licensing authority within three months of the date of registration of the discovery.

(d) In case the discoverer does not apply for a prospecting licence within the term specified in sub-rule (c) above, the licensing authority may release the information for the benefit of the public through a press note.

(e) In case of (d) above an initial reward, to be determined by the licensing authority, will be paid to the discoverer by the party who is granted a prospecting licence over the area. If no private party comes forward to take a prospecting licence after the information of the discovery has been released through a press note the licensing authority will evaluate the discovery and pay the reward to the discoverer.

(f) The scale of reward shall be as under:---

Size of deposit	Amount of Award	(i) Big deposit of which the	Rs.20,000.00	workable reserve is
evaluated at more than Rs. 50 lac.				

(ii) Medium size deposit Rs.10,000.00 evaluated at Rs.20 to 50 lac.

(iii) Small deposit evaluated Rs.5,000.00 at Rs.10 to 20 lac.

The amount of such reward shall be recovered from the beneficiaries of the discovery,---

Note:- Radio-active minerals which are already covered by a reward plan of the Atomic Energy Commission, Government of Pakistan are excluded from the purview of the above Rule. Limestone, sand stone, gypsum, calcareous minerals and other minerals of common occurrence are also excluded from the purview of this Rule. Anything the value of which is less than that given in clause (iii) sub-rule (f) above, shall be considered as uneconomic. To encourage prospecting for mineral even uneconomic discovery will be rewarded by the licensing authority at the rate of Rs.250/- per discovery provided that it is proved to be a new discovery and in the opinion of the licensing authority is also of some economic importance or of academic interest.

(g) The payment of rewards to the discoverer of mineral shall be of a mineral deposit. Every registration will be duly acknowledged by the licensing authority.

(h) Every discovery shall be registered on a prescribed form obtainable from the office of the licensing authority or the nearest post office.

97. Training.- The concession holder shall, when asked to do so by the licensing authority, arrange and provide facilities for training of students of any mining engineering college or to any other persons associated with the profession of engineering, geology or other related sciences.

98. Exclusion of land for public purposes If any or all of the area held under prospecting licence or mining lease (S.S.M) is required at any time for public purpose, whatsoever, the Licensee or Lessee shall forthwith release to the licensing authority such area to such extent as may be required by the Government under such terms and conditions as it may prescribe.

Provided where any areas excluded as above become subsequently available for, the purpose of grant under a prospecting licence or mining lease the previous Licensee or Lessee shall have prior right over such areas.

99. Membership of an Association.- Every concession holder shall become and continue to be a member of an Association representing the interest of the private sector of the mining industry as a whole. There shall be only one such Association for the whole of area or areas over which these Rules apply. The failure on the part of a concession holder to become such member or continue to be so will be treated as a violation of these Rules and the terms and conditions of the grant of lease.

100. Black Listing for misuse of Import Licences.- If the licensing authority is of the view that the import facilities granted to the concession holder for the import of machinery and equipment for use in mines has been misused, the licensing authority may disqualify such concession holder for grant of a new prospecting licence or a mining lease for a period of five years.

#### PART V - FINANCIAL

101. Royalties payable on minerals.- (1) Subject to this Part, the holder of,---

(a) a mining lease who has won or mined any mineral or group of minerals in the course of mining operations carried on by the holder; or

(b) an exploration licence, a prospecting license or group of minerals in the course of any exploration I prospecting operations carried on by the holder, shall be liable to pay to the Government, in respect of any such mineral or group of minerals disposed of by the holder, royalty determined in accordance with this Part.

(2) For the purposes of the Part any mineral or group of minerals is disposed of if it is,---

(a) sold donated or bartered;

(b) appropriated to treatment or other processing with out having been dealt with as provided in paragraph (a) prior to appropriation; or

(c) exported from Balochistan without having been dealt with as provided in paragraph (a) or (b) prior to export.

102. Rate of royalties. (1) Subject to this Part, royalty shall be charged at the fair market value of any mineral specified in Part I of the Third Schedule, to which sub-rule (1)(a) or (b) of Rule 101 applies, at the rate specified in Part II and at flat rates as per detail given in Part III of that Schedule or at such other rate as may be notified by the Government from time to time in the Official Gazette.

(2) For the purposes of sub-rule (1), the fair market value of a mineral or group of minerals is,---

- (a) where the mineral or group of minerals is disposed of in a sale at arm's length, the sale price;
- (b) where the mineral or group of minerals is not so disposed of, the value established, in relation to the kind of disposal concerned, by reference to criteria for the determination of that value, in the mineral agreement, the mineral title under which or pursuant to which the mineral or group of minerals was won or mined; or
- (c) where the mineral or group of minerals is not disposed of as provided in paragraph (a) and there are no such criteria as provided in paragraph (b), the amount, determined by the licensing authority, at the date of the disposal, which would, in the opinion of the licensing authority, be paid on international markets or, as the case may be, domestic markets for such mineral or group of minerals in a sale at arm's length by a willing seller to a willing buyer.

(3) For the purposes of sub-rule (2), a sale is a sale at arm's length but only if, the following conditions are satisfied with respect to the contract of sale, that is to say-

- (a) the contract price is the sole consideration for the sale;
- (b) the terms of the sale are not affected by any commercial relationship (other than that created by the contract, of sale) between the seller or any other person associated with the seller and the buyer or any person associated with the buyer; and
- (c) neither the seller nor any person associated with the holder of the mineral title has, directly or indirectly, any interest in the subsequent resale or disposal of the mineral or group of minerals or any product derived there from.

(4) For the purposes of this Rule, the fair market value, in respect of any mineral or group of minerals which has been disposed of, shall be determined by reference to the first point at which it was disposed of, without allowing for any deductions from the gross amount so determined.

103. Enhanced royalty. Where pursuant to Rule 9, a mineral agreement makes provision for the payment of royalty by the holder of a mineral title, at an enhanced rate or rates in respect of any mineral or group of minerals won, mined or found as provided in Rule 105, the enhanced rate of royalty shall be determined and payable in accordance with the terms of the agreement, provided that the rate of royalty payable at any time shall not be less than the rate specified in Rule 102.

104. Payment of royalty. - (1) Royalty in respect of any mineral or group of minerals won, mined or found as provided in Rule 101 and disposed of shall be payable on the first day of January and the first day of July each year.

(2) Where the holder of a mineral title or mineral concession failed to pay any amount of royalty as required by sub-rule (1), the following procedure shall be observed:---

- (i) the first two months shall be treated as grace period;
- (ii) Penalty at the rate of 10% of royalty dues shall be charged in case the payment is made after the expiry of the second month next after the due date.
- (iii) In case royalty along with penalty is not paid until the expiry of the fourth months after the date it first becomes due as stated in sub-rule (2) (I) above action as provided in Rule 57 (I) (f) shall be initiated.
- (iv) Royalty on all or any minerals in any mining concession area in Balochistan may be realized through contractors by, holding open auction for a period not exceeding 5 years. The procedure in this behalf may be prescribed through a Notification by the Government.

(3) The holder of mineral title shall submit, in respect of each month before the 7 of each ensuing month and the amount of royalty, to be paid in respect thereof for that month.

(4) The holder of a mineral concession shall submit a monthly production and disposal return on or before the 15th day of each succeeding month to the licensing authority on a form as determined by the licensing authority. A nil return has to be submitted in case there is no production in a month, with reasons thereof. If the returns are not received for three consecutive months the concession shall be liable for cancellation.

104-A. The Government may also collect daily royalty on all or any major minerals for specific period through contractors by floating sealed tenders for auctioning of all major minerals in various districts of the province through an Auction Committee under prescribed procedure to be notified by the Government in the Official Gazette.

105. Reduction, or deferment of royalty. - (1) Subject to sub-rule (2), the Government on the advice of the Department and with the concurrence of the Department of Finance, on application made in writing by the holder of a mineral title, or ruing case (Small Scale Mining) may, by notice to the holder-

- (a) reduce the royalty or penalty payable in terms of this Part; or
- (b) defer payment of any such royalty or penalty; for such period and on such conditions as may be determined by the Government and specified in the notice, or may refuse to so reduce or defer the royalty of penalty payable

(2) The Government may reduce or defer the royalty or penalty payable in accordance with sub-rule (1) only when the holder of the mining title or mining lease (S.S.M) has demonstrated to the satisfaction of the Department and the Department of Finance that, in the absence of the reduction or deferral, the mining operations would, for economic reasons, otherwise permanently cease or be suitable for an indefinite period.

106. Powers of licensing authority in case of failure to pay royalty. If the holder of a mineral title or a mineral concession referred to in Rule 101 fails to pay any royalty payable by the holder in accordance with Rule 104 or, if applicable, on or before such date to which the payment of the royalty has been deferred under Rule 105, the licensing authority before taking action under Rule 57(D) may, by notice in writing to the holder, prohibit-

- (a) the removal of any mineral or group of minerals from the exploration area, mining area, retention area, the land subject to the mining lease or, in the case of the holder of an mining concession, from the place where the mineral or group of minerals is found, won and
- (b) any dealings in connection with any mineral or group of minerals found, won or mined from any such area, land or place, until such time as the royalty has been paid, or the payment has been reduced, or deferred under Rule 105.

107. Proof of amounts payable under this Part. In any proceedings to recover in a competent court any amount payable under this part a certificate purporting to be a certificate under the hand of the licensing authority, certifying that the amount of money specified in such certificate is payable under this Part by any holder referred to in Rule named in such certificate shall be received in evidence as proof of the facts stated in the certificate.

108. Rentals.- (1) The holder of a mineral title or mineral concession shall pay an annual rental in respect of the area to which the mineral title or mineral concession relates in accordance with the Second Schedule, as may be amended from time to time by notification in the Official Gazette.

(2) Payment of the annual rental pursuant to sub-Rule (1) in respect of a mineral title or mineral concession

shall be made within thirty days after the date of the issue of the mineral title or mineral concession and thereafter shall be made on or first day of July of each fiscal year.

(3) Where any person has failed to pay any amount of annual rental as required by this Rule, the following procedure shall be observed:---

(i) the first two months shall be treated as grace period;

(ii) penalty at the rate of 10% of rental shall be charged in case the, payment is made after the expiry of the second month next after the due date.

(iii) In case dues along with penalty are not paid until the expiry of the fourth months after the date it first became due as stated in sub-rule (3) (i) above action as provided in Rule 57(1)(f) shall be initiated.

(iv) Where the holder of a mineral title or mineral concession surrenders a part of the, area of land to which the title or concession relates, that holder shall be entitled to a proportionate reduction of rent, but such reduction shall not take effect during the half year in which the surrender takes place.

109. Surface Rent. The holder of mineral title or mineral concession shall also pay to the private land owner in respect of private lands occupied or used by that holder for the purpose of mineral operations, water rates, if any,

assessable under any irrigation rules which would have applied to the land if it had not been occupied for that purpose. If the remit cannot be assessed under the laws of the District, the rate may be fixed by the licensing authority.

#### PART VI- MISCELLANEOUS

110. compliance with other laws:- nothing in the rules shall be construed as authorizing the holder of a mineral concession to do anything,---

(a) which the holder is prohibited from doing under any law for the time being in force; or

(b) otherwise than in accordance with any such law regulating the doing of that thing, and for that purpose obtaining any licence or lease, approval, permission or other document required under such law.

112. Notice of application made and title and concession issued, etc. (1) Where a mineral title or mineral concession is issued the licensing authority shall cause notice of that fact to be published in the official Gazette stating in the notice.

(a) the name of the holder of the title or concession;

(b) the nature of the title or concession and the area of land and the mineral or group of minerals to which the title relates; and

(c) such other particulars as the licensing authority may determine.

(2) Where a mineral title or a mineral concession is renewed, transferred, surrendered or cancelled, or any land subject to a title or concession is surrendered, the licensing authority shall cause notice of that fact to be published in the Official Gazette stating in the notice such particulars as the licensing authority deems necessary to identify the title or concession, and, where applicable, the land surrendered.

113. Removal and sale of property, etc.- (1) Where a mineral title or a mineral concession has been cancelled or surrendered, or the term thereof has expired, or as the case may be, any area of land has ceased to be

subject to the title or concession and the holder thereof has failed to comply with the requirements of these Rules or the title or concession in relation to the removal of equipment, installations or structures, the licensing authority may act in accordance with sub-rule (2).

(2) The licensing authority may by notice in writing, direct the person who was the holder of the title or concession immediately after cancellation, surrender, expiration or cessation, to do any or all of the following within period of three months of the date of cancellation.

(a) to demolish or remove any building or structures or to remove any equipment, debris or other things specified in the notice;

(3) Where a person referred to in sub-rule (2) fails to comply with a direction given under paragraph (a) of sub-rule (2), the property referred to in that paragraph shall be deemed to be the property of the Government and the licensing authority may,---

(a) do or cause to be done, all or any of the things required by the direction;

(b) dispose of all or of that property, in such manner as it thinks fit, including sale by public auction or public tender, and the proceeds of any such disposal shall be retained by the Government.

114. Weighing of minerals.- The holder of an exploration licence, a mineral deposit retention licence, a mining lease or a mining concession shall,---

(a) provide in the exploration area, retention area, mining area or, as the case may be, the area subject to the mining concession, a properly constructed and correct weighing machine or other suitable apparatus for determining the weight of any mineral or group of minerals won or mined in the exercise of the rights referred to in Rules 23, 34, and 45 or, as the case may be, Rule 82;

(b) weigh, sample and test any such mineral or group of minerals, in accordance with good mining practices.

115. Installation of Rope cutter at or near the leased/mining area.- Subject to Rule 15, the holder of concession of dimension stone/onyx/granite is required to install Rope Cutter at or near the leased/mining area. The use of explosives (dynamite) shall dispensed with

116. Power of licensing authority to obtain information. - (1) where the licensing authority has reason to believe that a person information or data relating to reconnaissance, exploration minerals won, mined, found or sold or otherwise disposed of, or notice in writing served on that person, require that person,---

(a) to furnish the licensing authority in writing with that information or data, giving particulars, within the period and in the specified in the notice;

(b) to attend before a person identified in the notice at such time and place as is so specified and there to answer questions relating to those operations, to minerals won, mined, sold or otherwise disposed of, or to that information or data; or

(c) to furnish a person identified in the notice, at such time and place as is so specified, with such data as may be in the custody or power of the first mentioned person relating to those operations, or to minerals won, mined or sold or otherwise disposed of, or the value thereof.

(2) A person is not excused from furnishing information or data, or answering a question when required to do so under this Rule, on the ground that the information or data so furnished, or the answer to the question, might tend to incriminate that person or make that person liable to a penalty, but the information or data so furnished or the answer to the question shall not be admissible in evidence against that person in

any proceedings other than proceedings for an offence against this Rule.

(3) Where data are furnished, pursuant to a requirement under sub-rule (1) (c), the person to whom the data are furnished may make copies of or take extracts from the data.

(4) In this Rule, "data" includes books, documents, interpretations, tapes, diagrams, profiles and charts, photographs, lines or negatives and includes data recorded or stored by means of any tape recorder, computer or other device and any material subsequently derived from data so recorded.

117. Liability for pollution. - (1) Where in the course of reconnaissance, exploration or mining operations carried out under a mineral title or a mineral concession,---

(a) any mineral is spilled on land, or in any water on or under the surface of any land; or

(b) any land or any such water is otherwise polluted or damaged; or

(c) any plant or animal life, whether in water or on, in or under land, is endangered or destroyed or

(d) any damage or loss is caused to any person, including the Government, by such spilling, pollution or damage, the holder of the mineral title or mineral permit shall forthwith;

(i) report such spilling, pollution, loss or damage to the licensing authority; and

(ii) take all such steps as may be necessary in accordance with good reconnaissance, exploration or running practices or otherwise as may be necessary to remedy the spilling, pollution, loss or damage, and bear the costs thereof.

(2) If the holder of a mineral title or a mineral concession referred to in sub-rule (1) fails to comply with the provisions of paragraph (ii) of that sub-rule within such period as the licensing authority may deem in the circumstances to be reasonable,---

(a) the licensing authority may by notice in writing, order the holder, to take, within such period as may be specified in such notice, such steps as may be so specified in order to remedy the spilling, pollution, damage or loss; and (b) if the holder fails to comply with the order to the satisfaction of the licensing authority within the period specified in the notice or such further period as the licensing authority may, on good cause shown, allow in writing, the licensing authority may cause such steps to be taken as may be necessary to remedy the spilling, pollution, damage or loss and recover the costs incurred thereby from such holder in a competent court.

118. Service of documents.- (1) Any document, notice or other communication required or authorized under these Rules to be given to or served on any person by the licensing authority or any other person shall be deemed to have been given or served,---

(a) if given to or served on such person personally;

(b) if dispatched by registered or any other kind of post addressed to such person at his last known address which may be any such place or office referred to in paragraph (c) or the person's last known post office box number or private bag number or that of the person's employer;

(c) if left with some adult person apparently residing at or occupying or employed at the person's last known abode or office or place of business;

(d) in the case of a company,---

(i) if delivered to the public officer of the company;

- (ii) if left with some adult person apparently residing at or occupying or employed at its registered address;
- (iii) if dispatched by registered post addressed to the company or its public officer at its or the officer's last known address; or
- (iv) if transmitted by means of a facsimile transmission to the person concerned at the registered office of the company.

(2) Any document, notice or other communication referred to in sub-rule (1) which has been given or served in the manner specified in paragraph. (b) or (d) (iii) of that sub-rule, shall, unless the contrary is proved, be deemed to have been received by the person to whom it was addressed at the time when it would, in the ordinary course of post, have arrived at the place to which it was addressed.

119. Inspection by authorized officers.- (1) For the purposes of these Rules, an authorized officer may, on behalf of the licensing authority, at all reasonable times,---

- (a) enter any area, structure, vehicle, vessel, aircraft or building that, in the opinion of the authorized officer has been, is being or is to be used in connection with reconnaissance, exploration or mining operations;
- (b) inspect and test any machinery or equipment that, in the opinion of the authorized officer has been, is being or is to be used in connection with any of the operations referred to in paragraph (a);
- (c) take or remove for the purpose of analysis or testing, or for use in evidence in connection with an offence against these Rules, samples of minerals or other substances from a n or any area where any of the operations, referred to in paragraph (a) are being carried on;
- (d) inspect all books, records and accounts, contracts and other document relating to mineral operation;
- (e) inspect, take extracts from and make copy of -
  - (i) any data, as defined in Rule 108(4)
  - (ii) any maps or plans relating to any of the operations referred to in paragraph (a) or
- (f) may make such examinations and inquiries and issue such orders or directions as are necessary to ensure compliance with the provisions of these Rules, and any directions issued, conditions imposed or orders made, by the licensing authority under these Rules.

(2) Before exercising any powers under sub-rule (1), an authorized officer shall show identification to,---

- (a) any person who is, or appears to be, in charge of the area, structure, vehicle, vessel, aircraft, building, machinery, equipment or matter or thing in respect of which the power is about to be exercised; and
- (b) any person to whom the authorized officer is about to give an order or a direction.

(3) The licensing authority,---

- (a) may implement measures to check the production and transportation of minerals, including the installation of barriers and issue of rahdaries/dispatch slips duly countersigned/stamped/sealed by an officer authorized by the licensing authority.
  - (b) shall notify the holder of a mineral title or a mineral concession of such measures;
- (4) The holder of a mineral title or a mineral concession shall be responsible for any violation of measures

referred to in sub-rule (3) by the carrier who transports minerals on behalf of that holder.

(5) Any person who is aggrieved by an action of a authorized officer made under this Rule may appeal in writing to the licensing authority which shall, as soon as practicable, hear and dispose of the appeal, but the bringing of the appeal will not affect the operation of the action direction or order appealed from pending disposition of the appeal, in case the relevant record is not provided.

(6) On an appeal under sub-rule (5), the lice authority may rescind or affirm the action; direction or order appealed from or may make a new decision, direction or order in substitution

(7) A person aggrieved by a. decision of the licensing authority may appeal against that decision to the Secretary and the provisions of Rule 70 shall apply in relation to that appeal.

(8) In exercising powers under sub-rule (I), an authorized officer may be accompanied by any person whom the authorized officer believes has special or expert knowledge of any matter being inspected, rested or examined.

(9) A person who is an occupier or person in charge of any building, structure or place, or the person in charge of any vehicle, vessel, aircraft, machinery or equipment referred to in sub-rule (1), shall provide an authorised officer with all reasonable facilities and assistance for the effective exercise of the authorised officer's powers under this Rule.

120. Further powers of authorised officers.- (1) If a person who was the holder of a mineral title referred to in sub-rule (4) of Rules 22 or sub-rule (5) of Rules 33, 44 or 56, or a mineral concession referred in sub-rule 5 of Rule 81 and sub-rule 3 of Rule 39,. fails to comply with the requirement of that sub-rule, an authorised officer may,---

(a) at all reasonable times, enter upon any premises whatsoever and search for the records, maps and plans, reports, photographs, tabulations, tapes, discs, books and documents referred to in that sub-rule; and

(b) seize any such records, maps and plans, reports, photograph tabulations, tapes, discs, books and documents.

(2) The provisions of Rule 119 (8), and (9) shall apply with necessity modifications in relation to an authorized officer and the carrying out of his functions under this Rule 85 121 Offences and penalties - (1) Any person who carries on reconnaissance exploration or mining operations in Balochistan except under and in accordance with a mineral title of a mineral concession (2) Any person who,---

(a) makes or causes to be made in connection with any application under these rules any statement knowing it to be false or misleading,

(b) submits or causes to be submitted in connection with,---

(i) any such application, or

(ii) any notice, report, return or statement, issued or given under any provision of these Rules; or

(iii) the conditions of any title or concession any document, information or particulars which is false or misleading knowing it to be false or misleading

(c) fraudulently and with the intent to mislead any other person to believe that a mineral or group of minerals exists at any place, places or deposits or causes to be so placed or deposited any mineral or group of minerals in or at any such place; or:---

(d) fraudulently and with intent to deceive mingles or causes to be mingled with any sample of ore any substance which will measure the value of nature of the ore (3) Any person who willfully,---

(a) makes or cause to be made or concurs in making, a false entry in the Titles Register or the Concession Register,

(b) produces or tenders in evidence, a document falsely purporting to be a copy of an extract from an entry in the Titles Register or Concession Register,

(4) Any person who,---

(a) in purported compliance with a notice under Rule I 15(1)(a) to furnish information to the licensing authority, knowingly or re furnishes information that is. or misleading in a material particular; or

(b) when attending before any person under a requirement referred to in sub-rule (1)

(c) of Rule 115 or furnishing any data to any person under a requirement referred to in sub-rule (1) (c) of that Rule, knowingly or recklessly makes a statement that is, or furnishes any data that are, false or misleading in a material particular,

(5) Any person who,---

(a) without reasonable excuse obstructs, molests or hinders, an authorized officer in the carrying out of that officer's functions under these Rules; or

(b) knowingly or recklessly makes a statement or produces a document that is false or misleading in a material particular to an authorized officer carrying out functions under this Rule;

(6) The provisions of the Fifth Schedule as amended by Notification in the Official Gazette from time to time, shall apply in respect of contravention of any of the sub-Rules of this Rule specified in that Schedule (7) Penalties as per details given in paragraph I of the Fifth Schedule shall be imposed by the Licensing Authority or by an officer authorized by him and those in paragraph 2, through appropriate court.

122. Evidence.- (1) The production in any criminal or civil proceedings in any court of law of any certificate purporting to have been signed by an authorized of certifying whether or not on a date specified in the certificate that,---

(a) a mineral concession or mineral title was issued, renewed or transferred to a person so specified;

(b) any interest in such a concession or title has been grand, transferred or assigned to a person so specified;

(c) any conditions so specified is or was a condition of a concession or title;

(d) a person mentioned in the certificate is or was the holder of a concession or title;

(e) a concession or title has been issued in respect of an area of land so specified, shall, unless the contrary is proved, be received in evidence as conclusive proof of the fact so certified.

(2) The production in any civil or criminal proceedings in any court of an extract of an entry in the Titles and Concession Register kept pursuant to Rule 60, certified by the licensing authority to be a true and correct extract of such an entry shall, unless the contrary is proved, be received in evidence as conclusive proof of the entry.

123. Forfeiture order.- (I) Where a person is convicted of an offence under these Rules, the court before

which the person is convicted may, in addition to a penalty imposed or other forfeiture ordered, order that,---

(a) any mineral or group of minerals won or mined in the course of the commission of the offence, be forfeited to the Government; or

(b) in the event of any such mineral or group of minerals having been sold or otherwise disposed of, that an amount equal to the proceeds of the sale or the market value of the mineral or group of minerals, whichever is the greater as determined by the court, be paid by such person for the benefit of the Government.

(2). The offence shall be cognizable under the Criminal Procedure code.

#### PART VII- REPEALS AND SAVINGS

124. Repeals. - The Balochistan Mining Concession Rules, 1970 are hereby repealed

125. Savings.- Any licence or lease granted, renewed or saved under any law for the time being in force and existing immediately before the coming into force of these rules shall be deemed to have been granted, renewed or saved for the subsisting period in accordance with the provisions of these Rules as if these Rules were in force at the time such licence or lease was granted, renewed or saved and shall be treated accordingly.

BY ORDER OF GOVERNOR BALOCHISTAN  
(SECRETARY)  
DEPARTMENT OF MINES AND MINERALS,  
GOVERNMENT OF BALOCHISTAN. 88 89

- a. The Technical Head of the Directorate General of Mines & Minerals. Chairman
- b. The Director Licensing of tile Directorate General of Mines Minerals or in charge of the relevant section. Member.
- c. The Director Exploration and Promotion of the Directorate General of Mines & Minerals or in charge of the relevant section. Member
- d. A representative of the Secretary, Department of Mines and Minerals not below the rank of Deputy Secretary. Member.
- e. A representative of Balochistan Mine Owners Association (either President or General Secretary Non-Voting Member.

[The Regulation of Mines and Oil-Fields and Mineral Development \[\(Government Control\)\] Act, 1948](#)

[The Compressed Natural Gas \(CNG\) \(Production and Marketing\) Rules, 1992](#)

[The Liquefied Petroleum Gas \(Production and Distribution\)](#)

[Rules, 1971](#)

[The National Mineral Policy](#)

[The North-West Frontier Province Mining Concession Rules, 2005](#)

[The Punjab Mining Concession Rules, 2002](#)

[The Sindh Mining Concession Rules, 2002](#)

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